67 Business Leaders on Outlook

Silver Anniversary Edition

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Silver Anniversary Edition

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The Nation's Business

Leaders of Finance, Industry, Commerce, Give Their Views on Situation

The Financial Post Celebrates 25th Anniversary

Canadian Leaders Speak Vigorously

THERE is provided, in this silver anniversary edition of The Financial Post, an opportunity for the general public to weigh the views of many of Canada's business leaders on the position of the nation in relation to this, the greatest economic crisis in the history of the world. Several pages are devoted to messages from 67 of the outstanding authorities in the field of finance and industry and while a number of them have rather embarrassed the publishers and editors by confining their remarks to a note of congratulation to The Financial Post for its twenty-five years of service in the interest of nation-building, the majority have expressed a considered viewpoint on one or more national problems and on the outlook for the future.

Where each of these builders of Canada has found the key problems of the country makes an interesting study.

* * *

SIR HERBERT S. HOLT, sphinx-like giant of finance, who rarely speaks publicly except at the annual meetings of his companies, has a timely warning on the burden of our "numerous and enormous taxes, caused largely by the excessive cost of running far too numerous governments."

It is a happy augury that the minister of finance, Hon. E. N. Rhodes, should emphasize that the first problem and duty of the Canadian people must be to attain a fully balanced budget as quickly as possible and in the accomplishment of this purpose he urges all Canadians to co-operate.

Naturally the railway problem receives earnest consideration, E. W. Beatty, chairman and president of the Canadian Pacific Railway, does not attempt to minimize the gravity of the problem for he says that if prejudices and unsound economic theories can be laid aside it is possible that the threat of the railway situation to national solvency can be ameliorated. R. S. McLaughlin, president of General Motors of Canada, names the railway problem as one of the four greatest in Canada but he believes that it is capable of solution if handled vigorously and intelligently, while Hon. Dr. R. J. Manion, minister of railways and canals, finds the chief promise of a solution of the railway difficulty in the sane, wise and courageous economies instituted during the past eighteen months.

* * *

A NOTABLE distaste for nostrums and panaceas as a cure for economic difficulties, is displayed by several of the writers. Ross H. McMaster, president of the Steel Company of Canada, believes that the public should know that the application of political nostrums and the doctrines of Coué will not help us emerge. Julian C. Smith, vice-president of Shawinigan Water & Power Co., urges us to face the facts as they are in a spirit of co-operation. Edward L. Anderson, president of Winnipeg Electric Railway, refers to the embarkation of governments on business enterprises.

Rt. Hon. Arthur Meighen, former prime minister of Canada, and president of Canadian General Securities, considers a necessary preliminary to recovery to be a realization that no nation can live unto itself alone. In the opinion of W. G. Murrin, president of the British Columbia Electric Railways, would ruthlessly abandon waste, duplication and inefficient practices. Frank A. Rolph, president of the Imperial Bank of Canada, feels that business men should adjust themselves to conditions as they are and not sigh for or await the return of conditions that are past. A. E. Phipps, general manager of the same bank, asks us not to forget that we still have a long way to go. John D. Mansfield, president of the Chrysler Corp. of Canada, urges "sound thinking and hard work," and C. O. Stillman, president of Imperial Oil, indicates the value of "constructive thinking."

* * *

IN THE work of the Imperial Economic Conference there is found by many business leaders an aid to recovery. Hon. H. H. Stevens, minister of trade and commerce, says that all good Canadians are anxious that these agreements shall result in a betterment of conditions.

(Continued from page 2, col. 3)

PARAMOUNT HITS LINE HARD BY NEW FILMS

Canadian Subsidiary Rife With Rumors of Impending Changes

SAM KATZ GONE

Disagreed With Directorate on Corporate Policies—Revenues Steadily Advancing

Paramount Publix Corp. is making important decisions these days. Some of these may be found to exercise a considerable influence on its affairs in Canada and certainly may entail many changes in the United States where it has been working out its decentralization policy in recent months. The film division of Paramount's business has nearly always been profitable and losses of recent years have been chalked up in theatre operations; Canadian operations being more profitable than those in any of the 65 countries where the company does business.

Will Canadians Control?

The organization in Canada is hearing various rumors and reports as to changes in policy, personnel and even in ownership of Famous Players Canadian Corp. The fact that J. J. Fitzgibbons, who has represented Paramount in Canada, and Arthur Cohen, general manager of Famous Players Canadian Corp., have recently been in New York at the same time as N. L. Nathanson, at one time general manager of Famous Players Canadian Corp., has led to tiptoe expectation that an offer might be made by Mr. Nathanson on behalf of British or Canadian interests to take over the Canadian company. Mr. Nathanson himself denied to The Financial Post a few weeks ago that he had made or was making any such offer, but in spite of such denial and denial by officials of Famous Players, those behind the scenes in the movie world insist that something is brewing.

Paramount's difficulties in the last two years make a splendid opportunity for Canadian or British capital to resume control, it is argued, and these movie men think that Paramount will be willing if it can still be assured of an important market with Famous Players Canadian Corp. for a large proportion of Paramount films. Famous Players has always found it necessary to go outside of Paramount to get all the pictures it desired in the past but the Paramount connection has enabled it often to get first run of popular pictures and it would probably be willing to enter a contract which would continue this privilege.

Sam Katz Resigns

These rumors were beginning to die down until Adolph Zukor, president of Paramount Publix Corp., made the following announcement on October 29:

> "The resignation of Sam Katz as vice president of the corporation was the result of a disagreement between him and the other members of the executive committee as to certain corporate policies. Mr. Katz leaves with the good will and high regard of the other officers of the corporation which I am certain he also has for them and the corporation."

What The Public Wants

Sam Katz, as pointed out some months ago in The Financial Post, made in the last year some fundamental departures in Paramount's methods of choosing, planning and making pictures. He won phenomenal success originally as an exhibitor in Chicago and when he became executive head of Paramount he moved his head office to all intents and purposes out to Hollywood. For the first time in the company's history the view of the men who exhibited to the public was potent in deciding what pictures should be. Mr. Katz' former success in judging just what the public would want was thus utilized from the beginning right on the spot all the time pictures were being made.

Great economies were made in production without sacrifice of quality, including sharp cuts in salaries at head office and lower emoluments to stars. Considerable progress was made in inducing theatre landlords to reduce rents paid under leases which under new conditions have proved too onerous, and in arranging with bondholders of theatre-owning subsidiaries to reduce interest charges and spread out amortization and sinking fund payments over an extended period. Much more along this line has to

(Continued from page 2, col. 5)

Parliament Likely To Tear to Pieces New Railway Bill

By Time It Passes, Only Board Changes May Remain

EVIDENCE NOW OUT

Duff Commission Rejected Beatty Amalgamation Scheme and Supported Thornton

From Our Own Correspondent

OTTAWA: — Decision of the Bennett government not to resist amendments to the legislation based upon the Duff Transportation Commission makes it certain that the clauses in the bill creating the Arbitral Board will either be deleted or fundamentally modified before the measure reaches the statute books.

The railway bill, as introduced in Parliament contains two important provisions. It provides for the reorganization of the National railways directorate, the substitution of three trustees for the present unwieldy board. And it provides for the Arbitral Board as a final court for the decision of all matters in dispute between the two roads, for the enforcement of closer operating co-operation.

Free to Modify It

In introducing the measure in the Senate, Rt. Hon. Arthur Meighen made it quite clear that the government is not wedded to any of the provisions of the bill, would gladly accept amendments, invited the fullest consideration and representations from outside bodies. In ordinary political practice this means that members of parliament are free to modify the bill as they please. The government will not resist such amendments, will not apply party discipline to enact the legislation as introduced.

Behind the scenes on Parliament Hill, the future of the bill is scarcely in doubt. When it emerges from the Senate it will bear small resemblance to the bill as it was introduced. The most objectionable feature of the measure is the Arbitral Board section. The board, under the original draft of the bill, is to have mandatory power over both roads. It would, for example, be able to enforce operating changes in, say, the Canadian Pacific railway, over the heads and against the judgment of the executive officers and directors of that company.

This section of the bill has no chance of surviving the committee stage in the Senate. It will be materially altered, probably stricken out entirely.

About all the bill will accomplish, judged by prevailing impressions, is the re-organization of the National railways directorate.

Three Rail Plans

OTTAWA:—Recognized railway leaders in Canada presented three well considered plans for the solution of Canada's railway problem to the members of the Duff Transportation Commission.

These plans came from E. W. Beatty, president of the Canadian Pacific; Sir Henry Thornton, then president of the Canadian National; Gerard Ruel, K.C., then vice-president in charge of legal affairs of the Canadian National. A fourth plan was submitted by S. J. Hungerford, present president of the National, but it differed from the Thornton plan only in minor degree.

Having regard to the seriousness of the railway problem, to the de-

(Continued from page 2, col. 4)

Number Celebrates Silver Anniversary

Believing that the historical data in this issue, the Silver Anniversary Number of The Financial Post, may be of special value to many business people, extra copies of the edition have been printed and are for sale at the publication office, 210 Dundas St. W., Toronto, and at our Montreal office, 1070 Bleury St., at the regular price. Papers for out of town delivery will be sold at 10 cents, which will include mailing charges.

West Kootenay Power Ready to Go Ahead

From Our Own Correspondent

VANCOUVER. — West Kootenay Power & Light Company has decided to go ahead with its plans for development of hydro-electric power at Goat River, near Creston, according to Lorne Campbell, vice-president and general manager.

This power was staked by the company's subsidiary, the South Kootenay Power Company, some time ago.

Mr. Campbell said the company would probably go ahead with construction during the winter months.

CANADA CUTS WHEAT PRICES TO GET ORDERS

Does Not Want to Carry Over Another Large Stock

From Our Own Correspondent

WINNIPEG.—The essential point of the steady decline in wheat prices, which has continued during the past week, lies in the steady determination of Canada to hang on to the export business from the North American continent, which has been almost entirely in her hands for several months, and the feeling that is growing in the United States that that country should be participating.

For a considerable time, United States markets showed an ability to maintain themselves well above the export level. It was true that that country had a carryover of 363,000,000 bushels, much larger than a year ago, but since it had produced little more than enough wheat for a single year's consumption it seemed quite possible for it to sustain that carryover throughout the year, except as it might be reduced by exports of Durum wheat for macaroni manufacture, by exports of flour to certain markets where steamship services and rates make it difficult for other flours to compete, and such exports as the Farm Board agencies still have to make to complete previous sales. Buyers, both of cash wheat and futures made their purchases at prices which seemed to put export business out of the question, and there seemed to be little doubt that the position could be maintained.

Envious of Canada

More recently they have been disturbed in the United States by the steady recording of Canadian shipments far in excess of their own, and uneasiness has increased as the visible supply week by week contained less and less of Farm Board stocks, as these have been allocated for Red Cross distribution, and more and more wheat commercially held.

That resulted in a tendency to lower prices, to get them on an equality with Canadian prices. But Canada cannot afford to give up her share in the market, for unless she continues to sell heavily there will be a much increased carryover in the country at the end of the year. A decline in the United States immediately alarms holders of wheat in Canada, as well as prospective buyers, until prices in Canada resume their former relationship with prices in the United States. At the moment the two countries are like two rival merchants, one of whom has started a bargain sale to reduce stocks, and cuts his prices again and again whenever his rival attempts to meet the bargains offered.

Canadian selling is the more aggressive as it is known that shortly crops from the Argentine and Australia will be coming on the market. Trade will have to be shared with those countries, which are always early and insistent sellers, but under present conditions it is not sure that it has to be shared with the United States. Such artificial support as was given to the Canadian market earlier in October is out of the question now, as to give it would simply mean holding our prices until the United States should have a chance to meet them, and displace Canadian wheat in export trade.

McColl-Frontenac Activity On Parity With Last Year

From Our Own Correspondent

MONTREAL.—Operations and earnings of McColl-Frontenac Oil Co. have been well maintained this year; to date it is understood that they approximate those of the same period last year. Fuel oil consumption has reflected the slowing down of industrial operations and sales in this division are somewhat lower. Sales of gasoline for transportation purposes, however, have been maintained.

The company continues to pursue a conservative policy of expansion. It is proposed to establish a unit at Fort William which will provide storage capacity for 2,500,000 gallons of gasoline and oil. Land has been purchased and the whole cost is expected to approximate $85,000.

Earnings of McColl-Frontenac in the year ended January 31, 1932, showed a notable gain over the previous period. After all charges which included substantial reserves, net profit was equal to $1.81 a share on the common stock compared with dividend requirements of 60 cents a share.

Ten Times as Much Life Insurance Now

Life insurance in Canada has increased just tenfold in the past twenty-five years, according to figures for Dominion licensed companies. Amount at risk at the end of 1906 was $656,000,000 while twenty-five years later the figure was $6,623,000,000.

Premium income for the period has increased in the same ratio and now stands at $225,152,000.

No provincial figures are available for the earlier years, but at the end of 1921, approximately $202,000,000 of business was in force with provincial companies, while premium income amounted to almost $5,200,000

BURNS BUILDS CASH POSITION; SALES LOWER

Bondholders' Committee Advises Progress Made Since Formation

EXECUTIVE CHANGES

Retail Markets Sold to Sterling Food Number 46; Further Sales May Be Made

Through relief afforded by bondholders agreeing to a postponement of sinking fund and bond interest payments, Burns & Co. Ltd. has been able to strengthen its liquid position during the nine months ended Sept. 30, 1932, and to show some increase over figures at Dec. 31, 1931, when current assets totalled $3,621,208 and current liabilities $1,891,335, leaving a working capital of $1,729,873. During the first nine months of the current year, consolidated sales of the company and its subsidiaries have been below sales in the same period during 1931, chiefly due to drop in value of commodities.

Packing house operations have shown an operating profit of $120,000 before depreciation and bond interest, but the consolidated earnings statement shows a small deficit after providing for bond interest and depreciation for subsidiary companies. Earnings from packing house operations as well as those from dairy and fruit subsidiary companies are seasonal and the results for the first nine months include the greater part of the off season operations of all companies.

Committee Investigates

After being in operation since the latter part of May, 1932, the Bondholders' Protective Committee advises bondholders that it believes some real improvement has already taken place and that further progress will be made in improving the operating and management of the company. The committee retained the services of an independent packer who commenced an investigation of the company in July and while details of the investigator's report are not made public it is stated that the report on the whole has been favorable and indicates that while Burns & Co.'s financial position has suffered from too rapid expansion a very considerable part of the company's difficulties has arisen from general business conditions in the West. Certain changes in executive responsibility have been made which the committee believe will be beneficial. W. J. Blake Wilson, of Vancouver, has assumed the presidency of the company while John Burns continues as general manager. To provide representation for the bondholders Col. A. M. Brown, of Vancouver, and R. W. Pearson, of the National Trust Co., of Edmonton, have been elected directors of the company.

The report presented to the bondholders' committee dealt particularly with the physical condition of the company's properties, business organization and management. It was stated that the company's plants are located at strategic points for the economical handling of Western livestock and farm products and that these plants are maintained in excellent operating condition, with ample refrigeration available for proper handling of products. It is stated that these plants are in a position to produce meat products at as low a cost as any plant in Canada and in export trade should have a strong position. It is also stated that the company's products are of excellent quality and enjoy a fine reputation and the key men have a competent grasp of the business and their own particular work. The report covers the situation fully and contains constructive suggestions in regard to operations which either have been put into effect or are now under consideration by the

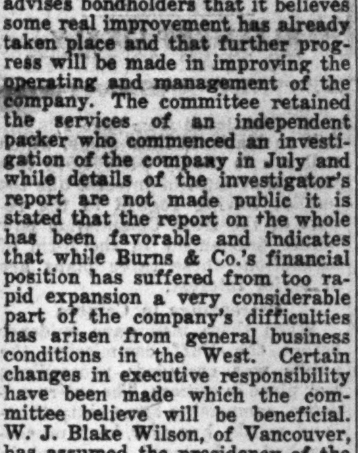
(Continued from page 2, col. 4)

Stock Market

20 INDUSTRIAL STOCKS

MONTHLY Aug., 1931 to Oct., 1932

Weekly Nov.



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Nov. 1	29.5	27.6
Week of Oct. 25	30.0	28.3
Month of Nov., 1931	41.6	34.9
8 Bank Stocks		
Week of Nov. 1	176	173
Week of Oct. 25	178	175
Month of Nov., 1931	216	216
10 Public Utilities		
Week of Nov. 1	47	45
Week of Oct. 25	48	46
Month of Nov 1, 1931	63	57

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

25 Years Old

The Financial Post celebrates its twenty-fifth birthday by telling the story of the quarter century and by giving the opinion of business leaders on the outlook. These features will prove valuable:

67 business leaders on outlook. Pages 17 to 21.
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Railway Problem

Second of a series of articles discussing the background of the Duff report. Page 10. News article also on page 1.

Auto Insurance

Drastic changes in rates involve some increases; some decreases. Page 12.

Central Bank

There are possibilities of danger in a central bank for Canada as A. F. W. Plumptre demonstrates from the experience of other countries. Page 3.

Stocks of Tomorrow

Will Consumers' Gas be a leader in the future as in the past? Another is a notable series. Page 11.

PRICE BROTHERS UNABLE TO RAISE INTEREST FUNDS

Payment Due August 1 Defaulted — Deposits Move Slowly

From Our Own Correspondent

MONTREAL. — Price Brothers and Co. has officially announced that it will not be able to meet the semi-annual interest payment due August 1 on its $11,061,600 of first mortgage bonds. Under the terms of the trust deed the company had 90 days grace to meet this obligation but inadequacy of its cash resources and failure of negotiations to secure funds have necessitated default.

In an official statement recent unfavorable developments in the newsprint industry are stressed as a contributory factor. Negotiations with representatives of the bondholders are proceeding and the company hopes that the interest of the present shareholders will be preserved on a fair basis.

Deposits Are Slow

A protective committee has already been formed by bondholders and has requested deposits of proxies in the committee's favor enabling it to act on behalf of bondholders. Upon deposit of 25 per cent of outstanding bonds the committee may at its discretion instruct the trustee to appoint a manager for the defaulted company or to take such steps as it thinks shall best protect the interests of bondholders.

As yet the protective committee has made no announcement of its future plans. There is still understood to be a tendency among Canadian interests to hold back their deposits. One reason is the cost of releasing bonds from the deposit agreement in event of disapproval of the committee's plan; the other is the strong position occupied by the American underwriters, and their reported willingness to foreclose on the property.

Whether a receivership will be sought can only be guessed at. It is unlikely that any steps will be taken immediately; it is reported that only some 38 per cent of outstanding bonds have been deposited and further discussions between the committee and representative bondholders will probably take place.

MASSEY-HARRIS CO. MAY GET PAYMENT FROM SOVIET SOON

Paying $10,000,000 in November to All Farm Implement Companies

Installments due in Canada and the United States in November on agricultural machinery shipped to Russia in 1929, 1930 and early in 1931 total about $10,000,000. This will include the final payment on the 1929 order and the second last payment on 1930 sales of $44,000,000.

Major payments go to International Harvester and other large United States concerns but it is stated that $1,000,000 will be divided between Massey-Harris Co. and Allis-Chalmers Mfg. An amount of $900,000, still owing to Massey-Harris and Allis-Chalmers, will not be due until about November, 1933. Terms were 50 per cent cash and the balance in payments over three years. Tractors, farm implements and combines made the greater part of shipments.

In 1931 and 1932 more business went to Germany than to North America because of better credit terms but the refusal of the German government to guarantee this business and the breaking up of British-Russian trade relations may throw more business to the United States again. Russia apparently has not sufficient foreign currency to supply all its needs of farm machinery and it is buying cautiously.

Payments so far have been made promptly by the Russian government for all farm machinery bought. It is understood that an important part of the purchases made from the Massey-Harris Co. were for tractors. It is possible that if this business once again assumes favorable proportions with the United States the Massey-Harris tractor plant in the United States would get its share.

Rail Mileage Doubles During Life of Post

Mileage of Canada's steam railways has doubled in the past twenty-five years.

In 1906 there were 21,353 miles of steam railways in operation while at the end of 1931 this figure had risen to 42,290.

Canadian Wineries Head Says Grape Prices Absurd

Wine Manufacturers Urged to Pay $40 While Market Price for Other Purposes is $15 — Company Profits Currently Ahead of 1931

Canadian Wineries reports earnings for the five months ended September 30 as materially in excess of the same period in 1931. Deferring of dividends on October 15 was solely due, it is stated, to the opinion of the directors that dividends should not be dribbled out in amounts as low as five cents a share. This meant that the average cheque to 740 shareholders would be $6.75, and it was felt that dividends should be paid in larger amounts at longer intervals when earnings justified.

In the course of his memorandum to shareholders K. H. Smith, managing director, has the following to say about the pressure alleged to be exerted by the Ontario Liquor Commission on wine manufacturers to pay higher than the market for grapes for wine purposes:

Concerned About Grape Price

"The price of grapes is giving us a great deal of concern. Provincial authorities urged that a price of $40 per ton should be paid At the present time, Concord grapes can be purchased in any quantity at $15 per ton. While we do not think that it is sound policy to take advantage of unusual circumstances to drive the price of grapes to an absurd level either high or low, it does certainly appear that the difference between an arbitrary price of $40 per ton and an actual market price of $15 per ton is much too great. It is a matter of particular concern to this company which sells a much larger volume of Ontario native wine outside of the Province than within the Province itself. Naturally, authorities in the other provinces have not the same interest in the Ontario grape grower as have the Ontario authorities, and outside of our province we must face competition from world sources, including those other parts of the Empire which are making a determined bid for an exchange of trade with Canada. If we lose this market, the ultimate outlook for the Ontario grape grower is so much the worse.

Could Manufacture Own Brandy

"There is the further consideration that the Ontario wine manufacturers cannot buy all the grapes grown in Ontario and it would be most unfair that one grower should get $40 a ton for his grapes and another grower only $15.

"The manufacture of brandy for fortification purposes is an active question. In a company such as ours, where we have ample facilities and the necessary technical knowledge, it does seem to us unreasonable that the authorities should subject us to the expense and inconvenience of having our wines distilled elsewhere. For a very small capital expenditure and without any increase whatever in administrative expenses, we could not only manufacture our own brandy, but ensure that it would conform to our own standards of quality."

DROP IN SALES OF CIGARETTES CAUSES WORRY

Estimate Duties Decline Over $4,000,000 to Date

OTTAWA CONCERNED

Possibilities of Taxing Other Smoking Materials May be Surveyed by Government

From Our Own Correspondent

MONTREAL. — Whatever concern tobacco companies have been caused by the sharp decline in cigarette sales during the current year, indications are that the government is probably doing its share of worrying. For in cigarette duties alone government revenues have fallen off by $4,000,000 on a conservate estimate. This does not include declines in sales tax or drop in revenue from cigar sales, and only covers returns for the first nine months of the calendar year.

Tobacco taxes have constituted a prolific source of government revenue. Duty of $6 a thousand is exacted on Canadian produced cigarettes while there is a tax of 40 cents a pound on imported tobacco in addition to sales tax on cigarettes. In all, the government collects more than 15 cents on every 25 cent package of cigarettes sold.

Big Decline in Sales

A glance at figures covering cigarettes entered for consumption in the first nine months of this year gives the key to the present situation which is reported to be causing considerable thought in Ottawa. Up to the end of September there were 2,805,088,588 cigarettes withdrawn for marketing; this compares with 3,462,791,030 in the same period last year. The decline is 657,702,422 or nearly 20 per cent.

True, sales of cut tobacco have shown an increase, indicating that through exigencies of economy the smoking public is turning toward "rolling its own." Cut tobacco entered for consumption in the first 9 months of this year totalled 13,131,922 pounds an increase of 944,661 pounds over the figures for the corresponding period in 1931.

But sales of plug tobacco have declined. Figures for the first eight months were 568,160 pounds, a decrease of 486,311 pounds from 1931 so the net gain in cut and plug tobacco is but 458,350 pounds. Cigars entered for consumption dropped 11 per cent in the nine month period.

Will Ottawa Take Action?

With such a formidable decline recorded in the first nine months of the current year it is apparent that outlook for total government revenue from tobacco sources is not encouraging. Cigarettes have proved the profitable source of this form of taxation but the public has found them too expensive and has turned to cut tobacco to make its own cigarettes and avoid a large portion of the duties on the manufactured article.

What will Ottawa do? It is understood that the situation is being investigated. If cigarette sales continue to fall off, officials are likely to cast around for some other means of taxing the smoker. Some observers feel that a tax of sorts on cigarette tubes or on cigarette tobacco might be considered.

Difficulties Are Apparent

Doubtless it has been considered but it presents many difficulties. In the first place many find it hard to see where the line is to be drawn

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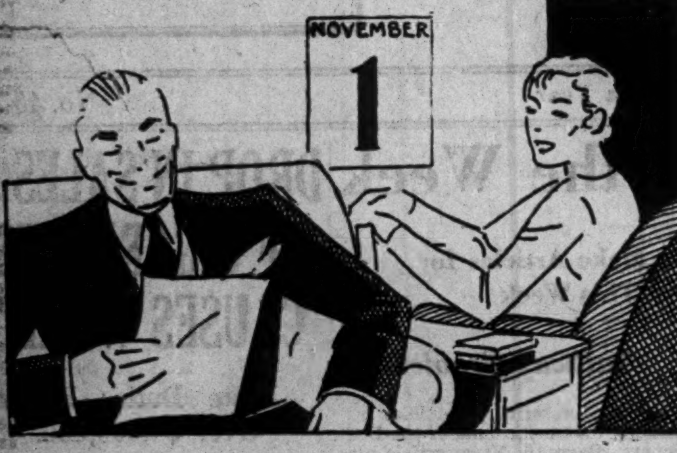
The First of the Month

Is Just Another Day To Tommy



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A WORD TO TRAVELLERS
. . . about Funds

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All this Radio Weekly tries to do. You will find that a careful reading of its pages will give new zest to the hours you spend with your radio set.

Radio Weekly

5c On All News Stands 5c

The Nation's Business

(Continued from Page One)

William M. Birks, president of Henry Birks & Sons, is certain that a new era in constructive Imperialism has begun. L. G. Beaubien, president of the Montreal Stock Exchange, feels that in collaboration between Empire statesmen we shall find the solution for our problems.

Canada need not complain too bitterly of its present position, more than one sober-minded commentator declares. Beaudry Leman, general manager of La Banque Canadienne Nationale, shows that our net progress has been noteworthy in the last 25 years. The trend has been generally upward, Morris W. Wilson, general manager of the Royal Bank of Canada, avers. The history of Canada, despite temporary set-backs, has been in the opinion of Victor M. Drury, president of the E. B. Eddy Co., one of steady progress. A. E. Dyment, chairman of Canadian General Electric, thinks Canada has stood up as well as if not better than most countries. Wallace R. Campbell, vice-president of the Ford Motor Co. of Canada, is certain that we shall emerge a greater nation.

* * *

THERE are not a few business leaders who are ready to hazard the guess that the upturn has started or will at least not be long delayed. Leighton McCarthy, president of the Canada Life Assurance Co., is hopeful of better times soon; C. L. Burton, president of the Robert Simpson Co., believes we are on the threshold of better times. J. G. Weir, president of the Investment Bankers Association of Canada, feels that the strength in the bond market will be followed by gradual business improvement. Col. G. G. Mitchell, president of the Toronto Stock Exchange, is confident that we are already plotting the graph of better times.

* * *

YET among all the messages in this issue, it is possible that the most useful and stimulating are those addressed primarily to the younger men of Canada, but that will be read with interest by all business men.

Sir Hormisdas Laporte, president of La Banque Provinciale du Canada, advises young men to "go forward carefully, but without hesitation." J. P. Watson, president of the Mining Corp. of Canada, is a strong believer in well-balanced optimism. F. H. Deacon, veteran Toronto stock broker, expresses the opinion that there are still giants in politics and business.

The selection of comments in this column has probably been unfair in that it has failed to refer to others that readers will want to study closely. But since an invidious selection has already been made, The Financial Post will be pardoned if it expresses particular appreciation for the beautifully phrased and excellently contrived message of Sir Joseph Flavelle, chairman of the Canadian Bank of Commerce. Sir Joseph urges young men to find in themselves—in their own spirit, purpose and effort—the remedy for the ills of today.

"However disturbing the outlook in the immediate future, you have no cause to fear if you play the game with high courage," says the great Canadian financial chieftain.

It is a fitting keynote to this issue.

FEDERAL GRAIN ELECTED OFFICERS

H. E. Sellers was re-elected president and managing director of Federal Grain Ltd., at a meeting of directors held in the Grain Exchange Building, Winnipeg, on October 27, immediately following the annual general meeting of the company. Other officers re-elected were: A. Thomson, vice-president; E. W. Neville, secretary; T. H. Rathjen, C.A., treasurer, and R. C. Gage, assistant treasurer.

At the annual meeting of the company the present board of directors consisting of, H. E. Sellers, A. Thomson, J. H. McDonald, J. R. Murray, W. A. Anderson, T. H. Rathjen, F. E. Topper, Winnipeg; H. J. Symington, Montreal, and A. H. Williamson, Toronto, were re-elected. Messrs. George A. Touche & Company were appointed auditors.

Financial statements showing an operating profit of $765,191 and a betterment in working capital position of more than $300,000, were presented to the shareholders and approved. Bond interest charges and sinking fund provisions were met by the company.

Shareholders were informed the company, due to the better crop conditions of the past season, is operating 406 elevators against 320 which were open in the 1931-32 period.

CANADIAN CHAMBER NAMES COMMITTEE

Five Canadians have been named by the Canadian Chamber of Commerce to act as the Canadian section of a joint committee being formed by the United States and Canadian Chambers of Commerce for the informal discussion of problems affecting the business relationships of the two countries. The five Canadians appointed are John W. Ross, of Montreal, president of the Canadian Chamber; J. H. Woods, of Calgary; W. L. McGregor, of Windsor; W. M. Birks, of Montreal, and S. B. Gundy, of Toronto, who was named chairman of the Canadian section. All the last four are former presidents of the Canadian body.

The members of the United States section of the joint committee are William Butterworth, Moline, Ill., chairman of the board of Deere & Co.; William J. Dean, of Nicols, Dean & Gregg, St. Paul, Minn.; Henry Howard, consulting engineer, Newport, R.I.; James A. Farrell, formerly president of the U. S. Steel Co., and Worrall Wilson, chairman of the board of the Seattle Trust Company, Seattle.

The joint committee is to meet at least twice a year at the time of the annual meetings of both Chambers, and may also meet whenever problems of an urgent nature arise and which require prompt attention. Additional temporary members may be added to the joint committee to deal with questions necessitating technical or specialized knowledge.

The two sections of the joint committee of ten will take up problems brought to them through their respective national Chambers and will report back to their own organizations on the results of their deliberations.

Hardware Price Lists Show Slight Changes

Wholesalers and manufacturers are issuing spring booking prices on some lines of hardware. Price lists for screen doors and window screens show no actual revision but it is stated that these will be fitted in 1933 with 14 mesh galvanized wire cloth in place of the black wire formerly in use. Lawn mower lists are also issued, and with a few exceptions, no general change is made in prices for next year. It is expected that booking prices on garden hose, harvest tools, screen wire cloth and poultry netting may soon be known, states Hardware and Metal, Toronto.

A reduction in the retail price of three grades of motor oil has been made at certain service stations in Ontario and Quebec. Keen competition has developed in this market, since the entrance of grocery chains into marketing oil in cans. The decline in primary copper prices has had its effect, and lower price lists have been issued on brass and copper sheets, rods and tubing.

Immediate business in retail hardware stores is confined to fall household commodities. Cleaning materials are in demand, together with building and repair lines.

NEW RUBBER BELTING

SUPERIOR QUALITY—3½" 3-ply at 10c., 4" 4-ply at 15c., 5" 4-ply at 17c., 6" 4-ply at 22c., 6" 5-ply at 24c., 7" 5-ply at 28c. 10" 5-ply at 50c., 12" 6-ply at 60c. per foot.
SAW MANDRELS—4-foot at $7.00.
CORDWOOD SAWS—32" at $7.00, 30" at $5.75, 28" at $5.00, 26" at $4.00, 24" at $3.75.
HEAVY TYPE DOUBLE-END GRINDERS at $3.50.
EMERY STONES at 50c. each.
N. SMITH BELTING WORKS.
138 York Street, Toronto

BURNS BUILDS CASH POSITION; SALES LOWER

(Continued from page 1)

management. Since the preliminary report was made late in July, it is stated that further substantial economies in the conduct of the company's business have been effected.

Sells Retail Outlets

As a result of changing conditions, Burns & Co. has altered its selling policy and recently disposed of 46 of its retail markets to Sterling Food Markets Ltd. which now operates retail stores in Greater Vancouver, Nanaimo, Calgary and Edmonton districts. The company is considering the disposition of its markets in other centres as it is believed that the disposal of these retail markets will enable Burns & Co. to expand its wholesale trade. The sale of such properties has been approved by the bondholders committee and the consideration received is being pledged with the trustees for the bondholders.

PARLIAMENT LIKELY TO TEAR TO PIECES NEW RAILWAY BILL

(Continued from page 1)

ficit on National lines alone, which will run to nearly $60,000,000 this year on account of interest due the public; having regard to the report of the Duff Commission now before parliament in the form of legislation—these three plans are of major interest.

Proceedings in Camera

When these men gave evidence before the Duff commission the public was excluded; proceedings took place in camera. The entire evidence, comprising some sixty thousand words, has now been mimeographed and placed on record in the Library of Parliament. By the very nature of the discussions that took place between the Duff commissioners and these witnesses it is apparent they were under the impression that the proceedings were confidential. They talked with great freedom. For example, it will come as an astonishing revelation that Mr. Ruel, one of the captains of public ownership since its inception, does not believe in it.

Two of the plans called, virtually, for railway amalgamation; the third sought to achieve the benefits of amalgamation in another way.

Beatty for Consolidation

President Beatty, of the C. P. R., put his plan in one sentence when he said:—"Under existing conditions in Canada, the only solution which will stand the test of the country's necessities is a consolidation through a lease on a profit-sharing basis, of the government railways to the Canadian Pacific railway."

"Postponement," said Mr. Beatty, "can only aggravate the situation. The combined net earnings of the two railways in 1928, the greatest year in the history of transportation, would not be sufficient to pay dividends (he was speaking of the then rate) and the present fixed charges of the Canadian Pacific, and as much of the interest on the debt of the Canadian National railways as is now due to the public. I do not know when another year equal in traffic to that of 1928 will come, but of this I am certain that when it does come the railways will be even less able to meet these outgoings."

Large Savings Estimated

Mr. Beatty emphasized the point that the term of the lease would have to be long, but he did not suggest that it be in perpetuity.

Under this plan, Mr. Beatty estimated savings of more than $50,000,000, perhaps $60,000,000 per year could be effected.

As to achievements under a system of two roads co-operating with each other, Mr. Beatty estimated total savings at something over $5,000,000 per year.

Thornton's Plan

The Thornton plan dismissed railway amalgamation as politically impracticable. His solutions were:—

1. To reduce the National Railways directorate to 10 members; abolish geographical representation; give appointments of two to Conservatives, two to Liberals, two to Progressives, one to Labor, one to the Minister of Railways and Canals.

2. Select three of the Canadian members of the Duff commission and turn them into a supreme control board, clothed with absolute power to enforce co-operation, supervise capital expenditures of both roads, compel economies, decide all disputes between rival managements.

As objectives to be attained, Sir Henry advocated:—Pooling of passenger services and co-ordination—not pooling—of fast freight services, abandonment of duplicate trackage and competing city ticket offices, amalgamation of telegraph services and hotels, joint use of facilities wherever it was found economical to do so.

Sir Henry believed the estimated savings from amalgamation too high. He believed his scheme would yield just as handsome financial betterments—about $30,000,000 per year.

Ruel for New Company

Gerard Ruel's plan called for the enactment by parliament of a railway managing company. Both railways would promptly execute "entrusting" agreements turning their properties over to the managing company for five years. There would be ten directors of this managing company composed of five nominated by the government and five by the C. P. R. The entrusting companies would retain life, corporate existence and at the end of five years Parliament might turn part or all of the properties back to their control, or might continue the unified system for a much longer period. Earnings would be divided on the basis that C. P. R. fixed charges would be guaranteed and would have first call. The division of the earnings would be upon the basis of 10 units to the C. P. R., and 7 to 9 units to the government.

Mr. Ruel claimed his plan would save $30,000,000 per year.

Time to Work Out

All these railway leaders were of the opinion that economies from unification or co-operation could not be realized until from three to five years after unification took place.

These plans are of great interest in view of the subsequent recommendation of the Duff commission. Obviously the commission accepted, in substance, the Thornton plan. And in doing so, no doubt, commissioners were actuated by a desire to present a policy to the government that could be put through Parliament.

Legislation based upon the Duff report is now before the Senate, and it is evident that a majority of both houses is intensely critical of it. At the moment the outcome of the whole railway inquiry seems likely to be confined to a remodelling of the management of the National railways and the passing along of some statutory admonition to the two systems to co-operate.

DROP IN SALES OF CIGARETTES CAUSES WORRY

(Continued from page 1)

between cigarette tobacco and ordinary smoking tobacco. Several brands are equally satisfactory to smoke either in a pipe or a cigarette. Pipe smokers would doubtless be aggrieved if they were taxed for the waywardness of the cigarette enthusiast.

A tax on tubes would also present problems. These currently sell for about five cents for 120. If half the regular duty of $6 per thousand were levied on these tubes it would amount to 30 cents on a box of 100. The discrepancy between the five cent retail price for 120 tubes and a levy of 30 cents for 100 tubes is easily seen.

Tobacco Companies Silent

Tobacco companies are non-committal in their opinions on what action Ottawa may take. Imperial Tobacco Co. of Canada, in which there is a wide public investment interest and which is the largest factor in the Canadian industry, has issued no figures on earnings during the current year. That they have declined seems to be apparent from figures released by the government; in addition to lower sales, premium on United States exchange constitutes another burden to be carried in making purchases of foreign leaf.

The company is absorbing the increased sales tax which went into effect last year which is another factor in tending to cut net profits. In 1931 Imperial Tobacco reported earnings of $5,914,079 which after charges was equal to 58 cents a share on the common stock. Dividends totalling 55 cents a share were paid, a sum which included a 20 cent final dividend applicable to operations of the previous year. The 35 cent rate has been maintained to date during the year.

A feature of the company's balance sheet at the end of 1931 was working capital of $20,788,404. Surplus at profit and loss totalled $7,763,000.

PARAMOUNT HITS LINE HARD HAS NEW FILMS

(Continued from page 1)

be done before the company can cope with the great decline in gross receipts from public attendance at theatres and for film rentals. Recovery of public spending power would probably end the company's difficulties but it is felt that further economies must be effected until the company is making ends meet under present conditions.

Films are Better

Important as these economies are, the idea of Mr. Katz has been that the only real way to overcome the company's difficulties is to give a class of entertainment that will bring public response even under present conditions. It has been proven repeatedly that even in times of depression people will crowd into theatres showing films that catch their fancy. Mr. Katz saw the success of an inexpensive film like "Sunshine Susie" and he has sponsored a trend in films away from the gangster and from sex problems toward tuneful music, gay scenes, cheerfulness and laughter. These films began coming through in August, and film rentals have been showing steady increases and increases beyond what the seasonal increase would call for. For example, it is reported that advance rentals on the company's books are $500,000 ahead of contracts booked a year ago and that 500 new theatre accounts have been booked. September rentals were 16 per cent higher than August rentals and in October gains have been reported weekly. It is now expected that business done by the company throughout the fall and winter months will greatly help its current position.

Getting Good Results

The company's current position is not so serious as might be imagined by those who noted that in the first six months there was a deficit of $8,350,000. That amount included depreciation charges, amortization of films and many special write-offs so that it did not eat into current strength as much as might have been expected. The summer was generally regarded as the critical time for the company, and it maintained its current position on a stable basis throughout the summer by cutting down production and keeping expenses low.

These economies will not lessen, it is predicted, the number of Paramount releases. The company is getting excellent results currently from pictures like "Phantom President," "Seventy Thousand Witnesses," the Marx Brothers in "Horsefeathers," Chevalier in "Love Me tonight" and "Madison Square Garden." Great things are hoped for by company executives from "Sign of the Cross" and "Farewell to Arms," which are about to be released and which strike notes absent from moving pictures for many years. Stars like Clark Gable, Wallace Beery, Harold Lloyd, Marlene Dietrich, Lubitch, will be shown in Paramount pictures in addition to Chevalier and Marx Bros. already mentioned.

Competing companies are also showing better films. First offerings in New York by Loew's "Blondie of the Follies" did well. "Grand Hotel" has been a splendid earner. Warner's two films "Life Begins" and "Blessed Event," have done well. In Canada this winter more English films will be shown than ever before. Famous Players will show some of these. In fact, executives state that the only obstacles to presentation of English films in the past have been their unsuitability for Canadian audiences and that in the last year English producers have shown a happy facility in selecting subjects which will appeal to Canadian public.

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MONTREAL TORONTO WINNIPEG VANCOUVER

This Orphan will soon be Twenty-one

He will come into a considerable sum of money. But not at that early age as used to be the custom.

In finishing his university course he is doing as his father hoped. But the father did not regard the university as meant to train his son in the management of property.

He accordingly — and, we think, wisely — left the resources intended for him in trust with the trust company and provided that, except in emergency, only the income was to be paid to him until several years after his graduation.

Through the years of the son's minority, and especially after the mother's death, the father's plans have been justified. The trust company has seen that the necessary sums have been available for his maintenance and education. It has been always qualified and ready to advise from its experience whenever problems out of the ordinary have arisen. And it has kept the property intact for the client to take over when the time comes.

The trust company has proved its value to hundreds of families whose heads, in making their wills, have had the foresight to enable it to do so. We invite you to consult us or to write for our booklet.

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Capital and Reserve $6,000,000
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20 King Street East, Toronto

BUSINESS SHOW TO DEMONSTRATE NEW EQUIPMENT

Babson Vice-President Will Give Address Nov. 8

Toronto's second Business Show is being held in the College Street store of the T. Eaton Co. Ltd., from November 4 to 12 inclusive. This consists of exhibits by eleven of the leading makers of business equipment, and is sponsored by the Canadian Business Equipment Manufacturers Association. President of the association is T. R. Crayston, general manager of Dictaphone Sales Corp.

The show will be featured by an address on "Why the Business Trend is Now Definitely Upward," to be given Tuesday, November 8 in the Eaton Auditorium, by Ralph B. Wilson, vice-president of the Babson Statistical Organization. Mr. Wilson is a graduate of Ohio State University and was formerly head of the Department of Economics and Finance at Boston University. His address will be based on the findings of the Babson organization.

The 1932 Business Show is being held largely as a result of the success of the show held in 1930, when some 10,000 business people visited the one week's exhibition of equipment.

Eleven Exhibitors

Exhibitors are Addressograph-Multigraph of Canada, Ltd., Burroughs Adding Machine Co. of Canada, Burt Business Forms Ltd., Dictaphone Sales Corp., Ltd., Dictograph Products Corp. of Canada, Gestetner (Canada) Ltd., International Business Machines Co., Ltd., National Cash Register Co. of Canada Ltd., Remington-Rand, L. C. Smith & Corona Typewriters of Canada, Ltd., and United Typewriter Co., Ltd. (Underwood).

Exhibitors at the show expect to demonstrate that the latest developments in business equipment outdate their own products of five and ten years ago, and that they have developed machinery to cope with present day needs which make for considerably lower costs in business. One leading manufacturer of business equipment has actually increased his engineering staff in the last two years to handle problems arising from the need to develop newer and better equipment.

Suggestions from purchasers of business equipment for the improvement of many lines, and the actual necessity for greater economy of operation in all offices and plants, have brought about radical alterations in mechanical aids to business economy in the last two years. One feature of the show, for instance, is a "dry-lith" machine, which lithographs letters from zinc plates at great speed by the use of a new fluid. This fluid may be used to make plates with complete safety in any office. With the use of such a machine, letters are in the process of printing within a few minutes of the actual typing of the message.

Equipment manufacturers feel that many businesses are prospective buyers of office equipment which will help make them more competition-proof by lowering their operating costs when the revival comes. Business getting systems and devices, as well as the best equipment designed to reduce overhead and operating costs, are included in the show.

Sees Many Problems In Central Banking

Experience of Other Countries Points to Dangers and Possibilities of Central Institution — Note Issue Discussed

By A. F. W. PLUMPTRE
Lecturer in Money, Credit and Prices, University of Toronto

Political interference from within the country and foreign dictation from without, are two of the chief dangers which central banks in young, debtor countries have had to face.

England, the United States, Japan, and other countries which have built up interests abroad have from time to time considered it necessary to intervene by force of arms when their investments appeared to be endangered. But this is not the type of foreign interference which Canada, a country with a stable government and a member of the British Empire, has to fear.

The financial fate of the small countries of central and eastern Europe is also unlikely to befall Canada. These countries are, like Canada, heavily indebted to great creditor powers. But in addition they are part of the European political system. They are weights in the balance of political as well as economic and financial power. They are the "tinder box of Europe." From Sarajevo sprang the spark that set Europe aflame in 1914. From Vienna, with the failure of the Credit Anstalt, came the spark of financial panic that spread throughout Europe and across to the United States in 1931. Thus, while the great creditor powers have shown great interest in the finances, centred in the central banks, of these countries, there is no reason to suppose that they would take a similar paternal interest in a Canadian central bank.

Political Interference Likely

On the other hand, such a bank might quite possibly become the medium of interference on the part of the more or the less well meaning Canadian politician. So long as:—

"Noble statesmen do not itch
To interfere in matters which
They do not understand,"

all may be well. Unfortunately, however, such interference is not unknown.

There are all sorts of rumors, the truth of which it is practically impossible to establish, about the type of men that have been put in charge of the South American central banks. In some cases it is clear that these men have been appointed to serve political parties or private interests rather than on account of their own wisdom or experience. It is also rumored that political pressure had been brought to bear by the party in power upon the Federal Reserve board to maintain "easy money" and a measure of artificial prosperity during election campaigns.

These are dangers which might arise in Canada if a central bank were established. They cannot be ignored. How could the wisest and most independent board of director be chosen?

Bank of England Practice

The solution of the Bank of England is that the board, in practice, chooses both its own new members and its own Governor of the Bank. The Federal Reserve Board, on the other hand, apart from two ex-officio members, is appointed by the President of the United States. And while rumor hints that the Board may have yielded to severe political pressure, it has seldom if ever been accused of being politically partisan.

It may be claimed against the "inbred" English system that it tends to crystallize the bank's policy along the lines which are favored by one particular group of men: and thus it stands in danger of allowing one group, for example the financial interests, to gain complete and permanent control of the central bank. This argument, combined with the fact that the first board of directors has to be appointed and not self-elected, suggests that the board of a Canadian central bank would probably be made up of appointees of the government.

There are three dangers to be feared from governmental appointees upon such a board. The first is that one political party might, unless the tenure of office on the board were sufficiently long, be able to "pack" the board with puppets who would use the central bank for party purposes. This danger is fortunately remote. Secondly, the party in power, either from a desire to distribute rewards among its supporters or from a lack of knowledge of the type of man necessary, might appoint incompetent men. Thirdly, political appointees are probably more susceptible to political pressure than men who have been raised to office through other channels.

The extent to which these dangers are real is a matter which each individual must judge for himself, on the basis of his estimation of the calibre of Canadian political leaders and the calibre of those men whom they are likely to appoint to positions of responsibility.

Bankers Are Nervous

Canadian bankers are undoubtedly nervous of the possibilities which have just been discussed. They are also apprehensive about the possible changes which the erection of a central bank would entail in the issue of notes by the chartered banks. They look to the experience of Australia and South Africa, as well as many other countries, where the establishment of a central bank has been accompanied by the withdrawal of commercial bank notes from circulation. The bankers fear that, if their right to issue notes were withdrawn, their profits would be reduced and their ability to meet the credit needs of the country would be diminished.

Most authorities on central banking claim that a central bank should have a complete monopoly of the note issue. But in Canada, under the existing legislation, the chief variations in chartered bank note issue are almost certain to be made on a basis of changes in the chartered banks' acquisitions of Dominion notes (or gold, for which Dominion notes could in any case be obtained). Therefore, if a central bank had charge of what is now the Dominion note issue it would have a pretty direct influence over the note issue of the chartered banks.

Not Advisable Here

For this reason it has been stated elsewhere in these articles that the foundation of a central bank should not necessarily entail any major change in those sections of the Bank Act which relate to note issue. In other countries commercial bank notes circulate side by side with central bank notes. In Scotland for instance, the commercial banks continue to issue notes without impairing the influence of the Bank of England in Great Britain. In the United States the notes of the National Banks circulate together with the issues both of the Federal Reserve Banks and of the Treasury.

Nevetheless, other experience suggests that there are foundations for the fears of the Canadian bankers that their note-issuing privileges would eventually, if not immediately, pass into the hands of a central bank. Those who urge the foundation of a central bank should, therefore, consider the possible effects of this change.

What Would Happen

If the commercial banking machinery of this country, as well as the system of note circulation, are not to be seriously upset with consequent adverse effects upon agriculture and industry, new central bank notes would have to replace all the existing chartered bank notes—both those in the tills of the banks which are not recorded in the official monthly returns and those in circulation which are so recorded.

Further, the bankers could make a strong case in favor of being compensated for the loss of their time-honored and at present moderately profitable privilege. They might claim that, if unnecessary readjustments and probable deflationary influences are to be avoided, then the profits upon that part of the note issue which the central bank took over from the commercial banks ought to be returned to the chartered banks. It might be pointed out that, when the Bank of England took over the huge war-time issue of one pound and ten shilling notes from the government, together with the earning assets against which they had been issued, the bank agreed to turn back the profits from those assets to the government.

The measures just proposed will involve political objections from Canadians who claim that the chartered banks should never have been allowed note issuing privileges. But those who hold this view would do well to consider the immediate problem: Is it worth while to undermine the income and the lending powers of the Canadian banking system merely in order that a note issue, allowed under a supposedly mistaken policy of the past, may be retired?

Other Problems Loom

From this long digression on commercial bank notes we must now return to the problems of the central banks themselves. We have noticed, in this article, that they may be hampered by political pressure and foreign interference. In addition it seems likely that they have, from time to time, attempted to reach impossible goals or to combine incompatible duties.

Some central banks have attempted to run an ordinary commercial business as well as their central banking business. For instance, the Commonwealth Bank of Australia and the Bank of France both have a system of branches which receive deposits and make loans to private individuals and businesses throughout the country.

Although founded at widely separated dates, 1911 and 1800 respectively, they both had among their initial objects the cheapening and extension of credit to the "small man" who did not seem to be properly served by the existing "bankers' monopoly."

When, however, these banks attempt to act as central banks they find themselves handicapped by their conflicting objectives. In Australia, the Commonwealth Bank was torn between its duty to compete with the commercial banks while at the same time maintaining that disinterested leadership in monetary policy and those large cash and liquid reserves which are required in a strong central bank. Similarly it is claimed that, at times during the last two years, the Bank of France has been unable to check the inflow of gold partly because of the clumsy mechanism of the Parisian money market and partly because the commercial banks prefer to get their cash by importing gold rather than borrow it from the competing Bank of France.

Should Not Compete Commercially

The conclusion that can be drawn from these sidelights upon French and Australian experience is that a central bank should be set up to do its own particular job: and not in order to compete with commercial banks. If there is a "bankers' monopoly" in Canada. a "National Bank" which opened branches throughout the country might break it; but it would almost inevitably fail to fulfil proper central banking functions.

Lastly, the impossible has often been expected from central banks, and particularly from those which have been recently founded in "new" countries. The central banks that have been erected have resembled too closely, in powers and objectives, the central banks of great financial centres. For instance, the five South American central banks which were set up after the war under the guidance of an American expert show that the Federal Reserve System was the model upon which he formed the new banks. Following that system, they were to be "banks of note issue and rediscount."

In the light of subsequent occurrences, it seems that those and other central banks have not served a very useful purpose, or at least that they might have been more useful. If, for instance, during the period 1925-1929 the South American central banks had been less concerned with their functions of "note issue and rediscount," and more concerned with regulating the inflow of foreign loans, then they might have saved their countries from at least part of the financial chaos and debt burden under which they have recently been staggering. Reorganizations, moratoria, and defaults, combined with drastic currency depreciations, have told the tale of past over-borrowing.

Canadian Application

Countries whose economic system is bound up closely with the export of one or two commodities of highly variable prices and production are clearly not countries whose economic conditions are easily influenced by control of the volume of money and credit. If harvests are good and world prices are high, attempts to contract bank loans would probably check a boom materially. Nor would efforts to pump money into circulation be likely to be very effective in alleviating a depression caused by short harvests and low world prices.

What a central bank in such a country might do, however, is to use what legal and persuasive powers are at its command in order to check the inflow of foreign capital which is sucked in by, and itself aggravates, booming conditions. If it were successful in this, the back wash of a "flight of capital" and the steady undertow of debt service in depression times might in part be avoided. There can be little doubt that one, if not the chief, function of a Canadian central bank should be to supervise, if not in some degree to control, Canada's international borrowing and lending.

Editor's Note.—This is the fifth article in a series "Does Canada Need a Central Bank?' Further articles by Mr. Plumptre will follow in succeeding weeks.

MACKINNON STEEL OPERATING PROFIT SHOWS DECLINE

Deficit Shown After Payment of Preferred Dividends

From Our Own Correspondent

MONTREAL.—Operating profit of MacKinnon Steel Corp. in the fiscal year ended July 31, 1932, was $29,960 compared with $50,207 in the previous year. The latter figure also included deduction of operating reserve which is not covered in the past year's earnings. After a slightly lower provision for depreciation net earnings were $15,960 or the equivalent of $3.17 a share on the $510,000 of preferred stock outstanding at the end of the year. This compared with earnings of $5.87 a share on the preferred in the previous year.

Payment of preferred dividends resulted in a deficit of $20,799. The sum of $10,000 was transferred from operating reserve and a profit and loss balance of $42,055 was brought forward into the current year.

Balance Sheet Position

Few changes of note are shown on the balance sheet. Inventories, less reserve, are slightly lower at $23,494 and accounts receivable are down $12,000 at $29,224. Cash and call loan is down $23,000 at $205,731.

Accounts payable at $5,293, constitute the only current liabilities. Depreciation reserve now stands at $74,000 and preferred stock redemption fund is unchanged at $4,346. During the year there were redeemed $40,000 of 7 per cent preferred stock, leaving $510,000 outstanding. Discounts on preferred shares redeemed totalled $8,988. Capital surplus is unchanged at $77,247 and total assets are down $46,000 at $721,930.

In presenting the report to shareholders, D. H. McDougall said that reduction in business experienced during the previous year continued throughout last year, resulting in part time operation with reduced staff. He pointed out that a contract from the Province of Quebec for construction of a bridge over the Yamaska River was the only order entailing heavy tonnage booked during the period.

Profit and Loss Figures

Following are profit and loss figures for the past two years ended July 31:

	1932	1931
Oper. profit.	$29,960	*$50,207
Depreciation	14,960	18,000
Net earnings	$15,960	$32,307
Pref. div.	36,750	39,427
Deficit	$20,790	$ 1,120
Tax adjust.	299	2,552
From oper. res.	10,000	....
	$11,089	$ 9,672
Prev. surplus	53,144	62,816
P. and loss bal.	$42,055	$53,144

*—After deduction of operating reserve.

Working Capital

	1932	1931
Current assets	$258,450	$301,705
Current liabilities	5,923	17,425
Working capital	$253,157	$284,280

"Money Well Spent"

Editor,
The Financial Post:

I wish to thank you for previous replies to my questions. They have been of great benefit to me and I am sure the money spent for a subscription to your paper is the best investment a person can make who has funds to invest.

Toronto. E. H. Y.

SIMON AND SONS WITHOLDS ACTION SENIOR PAYMENT

Directors Wait Until Year End For Decision on Dividend

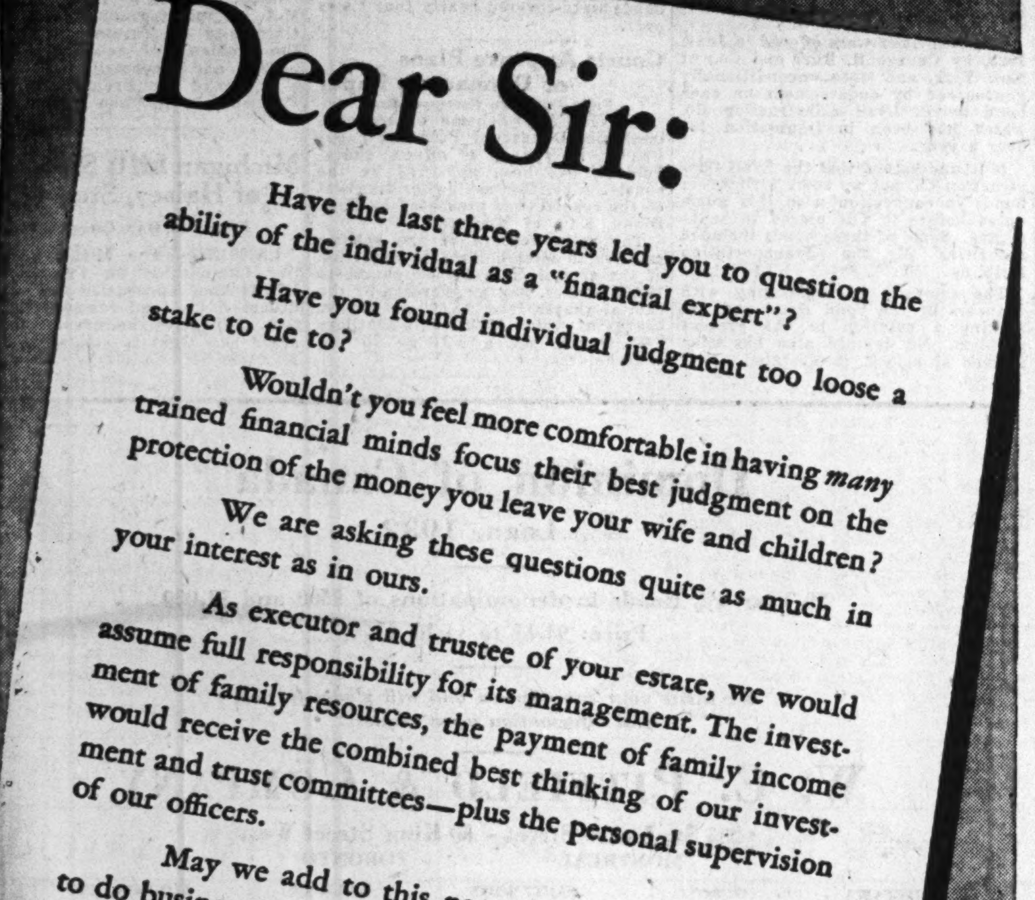
From Our Own Correspondent

MONTREAL.—Directors of H. Simon and Sons have deferred action on the preferred dividend payable December 1 until operations for the year 1932 are known. The next few months are the company's most lucrative period of the year; the management is anxious to conserve cash position until final results are definitely established.

That earnings have fallen off sharply is indicated by the reduction in number of cigars entered for consumption as reported by the government and also by the fact that preferred dividend requirements are relatively small. At the end of 1931 there was outstanding $518,000 of 7 per cent preferred; disbursements totalled but $34,117 last year. Common dividends were omitted in March; this stock was paying $2.50 a share.

Cigar Marketing Declines

According to the Dominion Bureau of Statistics cigars entered for consumption in Canada during the first nine months of year totalled 95,514,429 compared with 107,349,332 in the same period of 1931. This decline of 11 per cent has found reflection in sales of H. Simon and Sons, one of the largest manufacturers of medium priced cigars in Canada.



Dear Sir:

Have the last three years led you to question the ability of the individual as a "financial expert"?

Have you found individual judgment too loose a stake to tie to?

Wouldn't you feel more comfortable in having *many* trained financial minds focus their best judgment on the protection of the money you leave your wife and children?

We are asking these questions quite as much in your interest as in ours.

As executor and trustee of your estate, we would assume full responsibility for its management. The investment of family resources, the payment of family income would receive the combined best thinking of our investment and trust committees—plus the personal supervision of our officers.

May we add to this necessarily formal invitation to do business with us, our invitation to talk informally with our Trust Officer?

CROWN TRUST COMPANY

Executors Trustees Financial Agents

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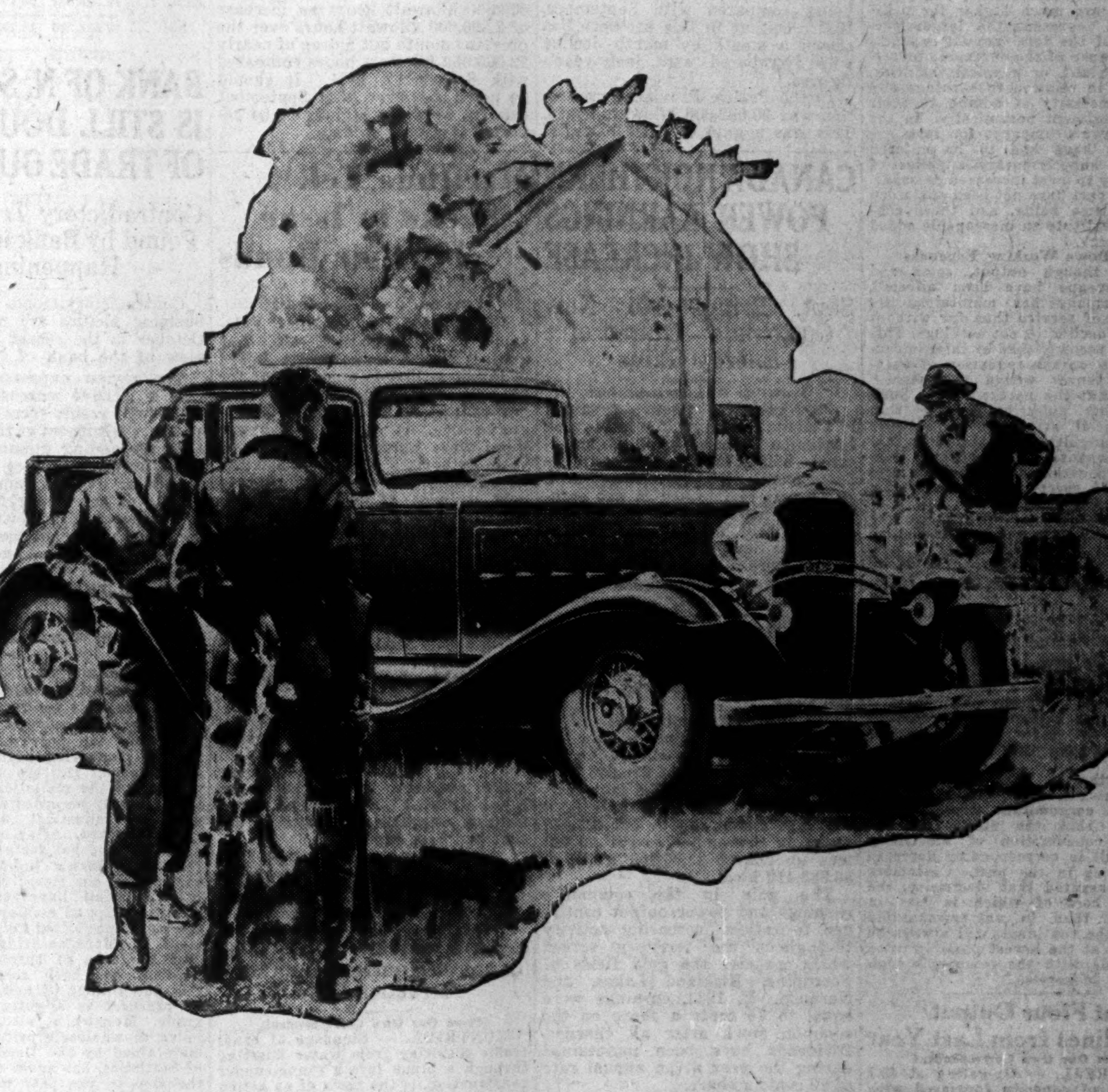

Owner Loyalty is a Big Factor in Oldsmobile Leadership!

IT'S a refreshing experience—talking Oldsmobile with an Oldsmobile owner. He may not dwell long on the car's smart appearance . . . he knows you take it for granted, just as you do the fact that Oldsmobile has all the latest features. But watch him get enthusiastic when you ask about performance. He'll tell you how Oldsmobile laughs at high hills and rough roads . . . skims silkily over highways at top speeds . . . nimbly threads its way through traffic.

And on the subjects of stamina, long life, and economy—now you've struck the pet themes of your Oldsmobile owner. You'll hear him say, "My car's as smooth and peppy this minute as the day I got it, and my speedometer reads in five figures. It just seems to be built so well it can't wear down. Ordinary running expenses, like gas and oil, are far lower than I figured. And I never have to worry about repair bills."

We urge you to talk to your friends who own Oldsmobiles. They'll give you the facts—for these men and women represent that great group of owners whose loyalty is conceded to be one of the biggest individual factors in Oldsmobile's established price class leadership.

There's an Oldsmobile dealer in your community. Won't you accept his cordial invitation to inspect and drive the Six and Straight-Eight? He'll make a liberal allowance on your present car, and explain the advantages of GMAC, General Motors' own financing system, with the lowest carrying charges in the automobile industry.

OLDSMOBILE SIX and EIGHT

GENERAL MOTORS PRODUCTS

Produced in Canada

THERE IS AN OLDSMOBILE DEALER NEAR YOU TO SERVE YOU

Utilities and Transportation

PRICE LEVEL HAS LITTLE BEARING ON UTILITY RATES

Montreal Power Sets Forth Position in Message to Shareholders

From Our Own Correspondent

MONTREAL.—Pointing out that though costs of living in the last 24 years have tended to rise steadily, present net rates for utility services are less than one quarter of the 1908 figure, Montreal Light, Heat and Power Cons., in a pamphlet accompanying current dividend cheques, offers an explanation as to why utility rates have not been reduced in proportion to the recent decline in commodity prices.

In answer to the query regarding utility rates the company continues in part:

"Now, when commodity prices have declined below the levels of a few years ago, the question is sometimes asked: 'Why do not utility rates come down in similar proportion?' While this is a very natural and reasonable query, it answers itself when certain fundamental differences between utility operation and other business are clearly understood. In the case of commodity prices, the decline has been so general that the percentages of profit now realized remain almost unchanged. Manufacturers are selling their products at reduced figures, but raw material and labor costs have gone down in similar degree. Thus costs have been cut until it is still possible to manufacture at a profit, despite the reduction in dollar volume of sales.

"Public utilities are in a different situation.. Reduced prices of materials have some effect, without doubt. but such outlay represents only a small part of a utility company's budget. Interest, depreciation and taxes, however, are much higher for utilities, and represent the larger percentage of the total annual expenditures because of the enormous investment in plant, or physical facilities, required in relation to earnings and of the necessity of adding to their fixed investment periodically. In the case of your company. for instance, contracts have had to be entered into for supplementary supplies of electricity to meet increased demands. which in part have not been sustained for the time being, and these contracts constitute an inescapable added fixed charge.

Cut Down Working Expenses

"Even though output, sales and gross revenue have been affected, your company has maintained its standard of service thus far without material decline in net earnings. This has been accomplished by intense concentration on the reduction of operating expenses within the narrow margin that the nature of the business allows, aided by the fact that its financial structure has always been distinguished for stability; that undue expansion has always been avoided, and that a considerable proportion of revenue is derived from extraneous sources.

"Most vital of all the reasons why utility rates have not fluctuated with commodity prices, however, is perceptible when we survey the trend of those rates over the past 24 years. During that time cost of living in almost every direction has risen steadily and while prices are somewhat below their 1929 level. they have not yet declined to pre-war figures. The present net rate for utility service is less than a quarter of the 1908 figure. Consequently, electric utility rates cannot be expected to 'come down' under present circumstances because they have not gone up.

"Nevertheless, it is expected that with a return to normal conditions and the concomitant expansion of business that the subsequent increased consumption of electricity will result in corresponding decrease in cost, as in the past. Customers may be assured that electricity, the average cost of which is less in Montreal than in any comparable city on the continent, will always be available at the lowest possible rates compatible with the company's high standard of service."

August Flour Output Declines from Last Year

From Our Own Correspondent

MONTREAL. — Operating at 42.7 per cent of capacity compared with 47.8 per cent in August last year, year, Canadian flour mills produced 1,272,009 barrels of flour in August contrasted with 1,833.287 barrels in the same month in 1931. Exports also declined, totalling 330,382 barrels compared with 522,178 barrels in August last year

Cumulative figures for the first eight months of 1932 show that Canadian mills produced 9,263,786 barrels of flour, or 713,697 barrels less than in the same period last year. Exports for the eight months showed a sharper drop, totalling 3,462,607, decline of 1,104,911 barrels compared with the corresponding period 1931.

Production of rolled oats featured August milling figures. Output was 12,301,642 barrels. an increase of nearly 3,000,000 barrels over the same month last year. Gains were also reported in oatmeal and corn flour.

THE current trend toward lower interest rates emphasizes the necessity of investing today in the bonds of the Dominion of Canada.

We recommend

Dominion of Canada

4% LOAN—1932

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Central Station Output Shows Regional Gains

September Production in Quebec and Maritime Records Increase Over Same Month Last Year — All Areas Exceed August

From Our Own Correspondent

MONTREAL. — Seasonal gains over the previous month were recorded in September output of central electric stations, production totalling 1,279,136 thousands of kw.h. compared with 1,230,253 thousands in August. Further, September figures do not compare unfavorably with those of the same month a year ago when output totalled 1,288,413 thousands of kw.h.

For the second month in succession output in Quebec has shown gains over the corresponding month of last year. Output of energy in Quebec in September amounted to 687,536,000 kilowatt hours, an increase of 24,000,000 kilowatt hours over the previous month and a gain of 25,000,000 kilowatt hours over September, 1931.

Maritimes Also Gain

The Maritimes were the only other area to show an increase over 1931. Production there was 48,065,000 kilowatt hours against 46,251,000 kilowatt hours in the same month last year. Ontario, Prairie Provinces and British Columbia, though all showing increases over August, reported output lower than in September, 1931.

Production of electrical energy from central stations in Ontario totalled 337,472,000 kilowatt hours, an increase of 11,000,000 kilowatt hours over the previous month but a decline of 18,000,000 kilowatt hours compared with September, 1931. Output in this province has shown a month by month decline when compared with last year's figures.

In the Prairie Provinces production was 90,082,000 kilowatt hours. This was a gain of 8,000,000 kilowatt hours over the previous month but compared with production of 102,835,000 kilowatt hours in September, 1931. This area was able to report increases in the first three months of the year but since that time output has fallen below 1931 levels on a month by month comparison.

An increase of 2,000,000 kilowatt hours is recorded in production of British Columbia's central electric stations as compared with August. Output totalled 91,485,000 kilowatt hours but fell below figures for September, 1931, by 5,000,000 kilowatt hours.

These provincial figures have reference to power produced by water power only. Fuel-produced power showed a seasonal gain in September, totalling 24,496,000 kilowatt hours which compared with 25,001,000 kilowatt hours in September last year. Of this total the Prairie Provinces produced 13,976,000 kilowatt hours an increase of 466,000 kilowatt hours over August and a gain of 540,000 kilowatt hours over September last year. The gain was offset by a drop in Maritime output which totalled 10.520,000 kilowatt hours against 11,565,000 kilowatt hours in the same month last year.

Exports Continue Decline

Exports continued their unbroken decline as compared with 1931. September exports were 71,500,000 kilowatt hours an increase of 2,300,000 kilowatt hours over the previous month but a drop of nearly 22,000,000 kilowatt hours compared with September, 1931. It should be noted, however, that September exports were the highest to be reported this year to date.

CANADA NORTHERN POWER EARNINGS SHOW INCREASE

Sept. Brings 101 New Customers—Output of Energy Gains

From Our Own Correspondent

MONTREAL.—Gross earnings of Canada Northern Power Corp. in September totalled $286,136, an increase of $8,375 compared with the same month last year. The gain in gross was maintained in net earnings and net at $196,382 compared with $188,201 in September, 1931.

During September, 101 new customers were added to the company's list bringing the total number of new customers obtained during the first nine months of the current year up to 614, and making a total of 12,119 customers served as at September 30, compared with a total of 11,130 at the end of Sept. last year.

Power Output Gains

For the first nine months of 1932, net earnings at $1,746,277 showed an increase of $70,256 over the corresponding period last year. Power output showed a gain of 6 per cent amounting to 325,207,010 kw.h. In September, power output was up nearly 2,000,000 kw.h. at 36,389,410 kw.h.

The gain in the company's earnings and power output continued to reflect increasing activity throughout the territory served which includes the gold fields of Porcupine, Kirkland Lakes, and Noranda. In 1931, earnings were equal to 75 cents a share on the common stock after all charges. Dividends have been maintained during the year at an annual rate of 80 cents a share.

Potato Situation in P. E. I.

It is estimated that 37,000 acres were under potato cultivation in Prince Edward Island during the present season with an estimated yield of 142 bushels to the acre.

Railway Earnings

Canadian Pacific Railway

Sept.	1932 $	1931 $	Decr. %
Gross earn. ...	13,344,079	12,486,517	†6.87
Working exps.	9,621,503	9,386,663	†2.80
Net earn.	3,722,576	3,099,854	†20.09
Mos. ended Sept. 30			
Gross earn. .	91,224,950	108,587,636	15.99
Working exps.	80,693,580	95,795,469	15.76
Net earn. ...	10,531,870	12,792,167	17.67

†Increase.

Maritime Tel. Seeks to Issue Further Bonds

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. has applied to the Nova Scotia Board of Public Utility Commissioners for permission to issue $500,000 of 5 per cent general refunding mortgage bonds. At the end of last year there were outstanding $1,000,000 of an authorized issue of $1,500,000. In addition the company's funded debt includes $1,500,000 of 6 per cent first mortgage bonds.

Though income this year has been somewhat lower returns in general have been fairly good in view of lessened activity in the territory served. In the first half of the year the number of telephone installations had declined by 623 or only 1½ per cent which compared with a gain of 589 stations for the whole of last year.

Income from exchange operations totalled $673,187 compared with $679,299 for the first half of 1931. Toll figures have not been made available but it has been reliably stated that up to the beginning of August a decline of 12 per cent had been reported.

CANADA STEAMSHIP SUES FOR DAMAGES

Asks $64,792 in Action Against Montreal and Construction Firm

From Our Own Correspondent

MONTREAL. — Stoppage of canal traffic resulting from water bursting through a break into a tunnel under construction, is the basis of an action taken by Canada Steamship Lines against the city of Montreal and the Dufresne Construction Co. for damages amounting to $64,792. The company holds both defendants liable for the seepage of water which resulted in the break in the canal bottom in May, 1932.

In setting forth its claim, Canada Steamship Lines notes that the Lachine Canal is the only commercial point of entry to the port of Montreal for its ships operating between this port and the Great Lakes. The declaration refers to the city's contract with the Dufresne Construction Co. on a cost plus basis for the building of the Wellington Street tunnel and asks the city to produce the contract under which it retained control and supervision of the work.

Claims Lack of Skill

In the action it is claimed that through fault and want of skill, water of the canal percolated through the subsoil and ultimately flooded the tunnel and surrounding district. To control the flooding it was necessary to lower the water in the canal with the resultant stoppage of traffic and cessation of navigation of the plaintiff's ships.

On May 5, the plaintiff declares, it served notice of claim on the City and by its letter of acknowledgment the City took the position that the Dufresne Construction Co. was responsible for the damage, if there was any. In a letter dated May 7, however, the Dufresne Construction Co. declined all responsibility for the damage.

Public Utility Earnings

Barcelona Traction

Sept., 1932	1932 Pesetas	1931 Pesetas	Increase Pesetas
Gross earn..	8,797,799	*8,268,905	528,894
Op. exp. ..	3,229,779	3,018,959	210,820
Net earn...	5,568,020	5,249,946	318,074
Aggre. gross from Jan. 1	81,653,770	79,515,679	2,138,091
Aggre. net from Jan. 1	54,102,192	52,089,166	2,013,026

Mexico Tramways Group of Companies

Sept.	1932 Pesos	1931 Pesos	Decrease Pesos
Mexico Tramways & Subsidiaries			
Gross earn..	699,150	760,380	61,230
Op. & depr. exp.	967,880	845,400	†122,480
Net earn...	*268,730	*85,020	183,710
Aggre. gross from Jan. 1	6,013,350	6,966,810	953,460
Aggre. net from Jan. 1	*1,909,390	*728,990	1,180,400
Mexican Light & Pwr. & Subsidiaries			
Gross earn.	2,175,180	1,884,890	†290,290
Op. & depr. exp.	1,425,730	1,131,170	†294,560
Net earn. .	749,450	753,720	4,270
Aggre. gross from Jan. 1	19,318,130	17,799,305	†1,518,825
Aggre. net from Jan. 1	7,018,430	7,640,790	622,360

*Deficit. †Increase.

CANADIAN PACIFIC SHOWS INCREASE IN GROSS AND NET

Sept. Operating Ratio Records Substantial Improvement

From Our Own Correspondent

MONTREAL.—Gross and net earnings of the Canadian Pacific Railway in September both showed an increase over the same month last year. Noteworthy in the monthly figures is an improvement in operating ratio which was 72.10 in September this year against 75.18 per cent in the same month in 1931.

Net earnings of the road for the month under review totalled $2,722,576, an increase of $622,721. Gross earnings at $13,344,078 showed a gain of $857,561 but working expenses were also higher by $234,839 over the figure reported for September last year.

Nine Months Figures

For the first nine months of the current year net earnings totalled $10,531,370 compared with $12,792,166 in the corresponding period of last year, a decrease of $2,260,796. Gross for the nine months' period at $91,224,950 showed a decrease of $17,362,685 while working expenses at $80,693,580 showed a decrease of $15,101,889.

Following are comparative figures for September and for the first nine months of the current year compared with 1931:

	1932 $	1931 $	Incr. $
September			
Gross	13,344,078	12,486,517	857,561
Exp.	9,621,502	9,386,662	234,839
Net	3,722,576	3,099,854	622,721
Nine Months	**1932** $	**1931** $	**Decr.** $
Gross ...	91,224,950	108,587,636	17,362,685
Exp.	80,693,580	95,795,470	15,101,889
Net ...	10,531,370	12,792,166	2,260,796

BANK OF N. SCOTIA IS STILL DOUBTFUL OF TRADE OUTLOOK

Contradictory Trends Are Found by Bank in Recent Happenings

Contradictory trends in the world business picture are noted during October in the recent monthly review of the bank of Nova Scotia.

The review expresses the hope that a decisive increase in Empire trade will result from the Ottawa conference without at the same time a corresponding dimunition in the trade between Empire and foreign countries. It also hopes that the results of the conference will lead to an eventual lowering of trade barriers throughout the world. Empire manufacturers and merchants themselves in the marketing policies they pursue.

Suspends Judgment

As to general business conditions, the review finds it necessary, even after three months of buoyant market conditions, to suspend judgment as to prospects for recovery. Summarizing the situation it finds:

"During the past month, contradictory tendencies have again been in evidence. On the one hand, a number of the statistical series that are currently regarded as good measures of industrial activity have turned upward. After making allowance for seasonal factors, it appears that this Bank's Index of railway carloadings has risen; that there has been a small improvement in the general index of employment, and in the more specialized index of employment in Manufacturing Industries; that the rate of turnover of bank deposits has been accelerated, and that the volume of new construction in prospect is slightly on the upgrade. Meanwhile, also, the general index of wholesale prices in Canada, maintained by the Dominion Bureau of Statistics, has again risen; though the rise in the past month was so small that it may fairly be described as infinitesimal.

"On the other hand, a more deliberate estimate of underlying conditions shows that many fundamental dislocations remain, which demand the joint action of many countries, and little has been done to mend them. Till they have been attacked successfully, there are strict limits to the possibilities of recovery.

Eastern Outlook Cloudy

"In the Far East, conditions are still uncertain; and the prestige, not of the League Covenant only. the Kellogg Pact and the Nine Power Treaty, but of several of the great western Powers who were signatories of these documents, is at stake.

"German economic life is still strained almost to the breaking point. The dictatorship is faced simultaneously with a constitutionalist movement which attacks it in the courts, and with a fascist movement which is inclined openly to disregard the constitution.

"The position of a number of the young debtor countries is still quite obscure. In Canada (despite a large harvest, despite a tendency toward firmer prices for meats and produce, and generally good pasturage) the necessity for hurried marketing of wheat, and the depression of wheat prices to the lowest levels within living memory, have emphasized anew the fact that the purchasing power of farmers is still a fraction of what it was (and will in due time again become) under normal circumstances.

Tariffs Strangle Trade

"High tariffs and rigid exchange restrictions in almost all countries are still strangling trade all over the world. The shrinkage of Canadian exports is about in proportion to the shrinkage of all exports the world over; and the volume of international commerce is quite inadequate for the discharge of present international financial obligations. Mention has already been made of the need for a concerted reduction of tariffs, by the nations engaged in world trade, if the situation is to be restored.

"Moreover, the budgetary position of most of the countries still waits to be rectified. It is true that Britain has successfully balanced governmental expenditures and revenues. It is also true that, at opposite ends of the world, the strenuous efforts of the German and Australian governments have been attended with a considerable measure of success. But it is believed that the balancing of the French budget, achieved on paper, is in fact incomplete; and it appears that the deficit of the United States government, since the beginning of the present fiscal year, is actually greater than that reported at this time twelve months ago. In short, it is known, too, that the revenue returns of the Dominion of Canada have been disappointing."

CANADA

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The new Loan offers an excellent opportunity for Canadian investors.

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Denominations: $500, $1,000.
Price: 93.45 and interest, to yield 4.50%

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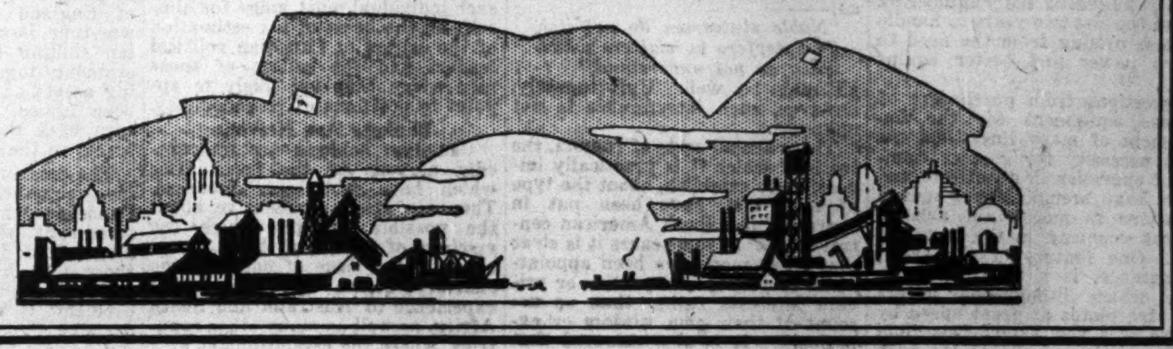

GRAIN DELIVERIES BEST SINCE 1928 FOR MONTREAL

Total to Date Passes 1930 and 1931 Figures—Close to 1929

Grain deliveries by the Montreal Harbor Commission this season already exceed the total outward handlings for either 1931 or 1930, according to an analysis by the Montreal Gazette.

Total deliveries for the whole of last year have been exceeded by 145,333 bushels, the amount of grain handled outward by the local elevators in the previous 24 hours being 483,407 bushels. Orders on hand last week indicated that by the end of the week total 1929 deliveries would also have been exceeded.

Ten Year Record

The following table of deliveries indicates the position since 1921:

Year:	Bushels
1921	138,453,980
1922	155,035,817
1923	120,107,990
1924	165,189,399
1925	166,212,335
1926	135,897,882
1927	195,247,914
1928 (record)	211,295,379
1929	90,694,208
1930	81,669,864
1931	89,512,312
1932 (to date)	89,657,645

Receipts are ahead of last year's total by more than two million bushels, the respective figures being 91,795,703 and 89,435,714.

Relatively little American grain is now passing through Montreal, which is responsible for the deliveries to date not being higher even than almost ninety million bushels. Until two years ago, a very large proportion of the shipments was provided by grain grown in the United States. The percentages for 1928, 1927, 1926, 1925 and 1924, the last years when figures were available for publication, were 30, 47, 26, 31 and 40.

Big Total in 1927

In 1927 alone, there were 92,681,463 bushels of American grain shipped through the Port of Montreal, as compared with 98,597,442 bushels of Canadian grain. These totals and statistics indicate that the facilities here are being employed almost exclusively for handling Canadian grain, and in some measure that the principal export demand is for grain of Canadian origin.

Wheat is the leader among a wide range of different grains handled outwards by the Montreal Harbor Commission. On the first of October, when deliveries totalled 78,473,054 bushels, the proportion of wheat was 53,906,596 bushels, with barley coming next with 8,692,945 bushels.

The following table indicates the position on that date:

Grain:	Bushels
Wheat	53,906,596
Barley	8,692,945
Oats	6,071,281
Corn	105,581
African corn	968,475
Rye	7,917,492
Flax	299,155
Buckwheat	29,477
Soya beans	482,052
	78,473,054

UNTREATED EASTERN
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Scotstown Que.

IS UNABLE TO MEET INTEREST PAYMENT

Transportation Building Bonds Guaranteed by Lyall Construction

From Our Own Correspondent

MONTREAL.—Interest on $774,000, 7 per cent first mortgage bonds of the Transportation Building Co. was not paid when due on November 1. Principal, due 1947, and interest are both payable in New York funds. The amount required to meet the interest payment is roughly $29,800 Under the terms of the trust deed the company has 90 days in which to meet this obligation.

The securities were offered in June, 1922, by George H. Burr and Co., of New York, and were unconditionally guaranteed by endorsement on each bond by P. Lyall Construction Co. which has been in liquidation for over a year.

It is understood that the Lyall Construction Co. put up some $190,000 in bonds in connection with this guarantee before it was placed in bankruptcy. Some of these bonds included securities of the Transportation Building.

The company is negotiating with sponsors of the bond issue and are seeking a solution to the present problem. No definite plan has been arrived at as yet, it is stated.

Canadian Bronze Earns Dividends Paid to Date

From Our Own Correspondent

MONTREAL. — Earnings of Canadian Bronze Co. in the first nine months of the current year are reported to have been more than sufficient to cover dividend requirements on both the preferred and common shares. Results for August and September are said to have been moderately better than for the corresponding period in 1931, a reflection of increased rail activity due to the movement of the wheat crop.

The common stock is on a $1.25 dividend basis, a rate which represents a reduction from the $2.50 dividend paid to November 1, 1931. Earnings in 1931 were equal to $2.66 a share on the common, while preferred dividends were covered nearly four times over.

Courts Approve Plans of Donnacona Paper

From Our Own Correspondent

MONTREAL.—Scheme of reorganization of Donnacona Pulp and Paper Co., in so far as it affects shareholders, has been approved by the courts. A petition asking for approval of the scheme was presented by S. G. Dixon, K.C., of Montreal.

The main feature of the scheme relative to shareholders is reduction of the capital from 200,000 shares to 15,000 shares, and an increase of the capital shares from 15,000 to 244,892 shares of which 15,000 will be Class "B" shares, which will go to old shareholders.

New Books

"Germany's Debt Problems"

This is a brochure reporting articles written by R. J. Bartlett, managing editor of The Financial Times London, Eng., after a visit to Germany. He makes a plea for more sympathetic consideration of Germany's problems and gives interviews with leading German industrial and financial leaders. Published by The Financial Times, London, Eng at 6d.

"Smoothing the Bumps in Business"

This is one of the series of Ryerson Essays. Written by Percy H. Wright M.A., a post graduate worker at University of Toronto, it discusses the problems of avoiding recurrent booms and depressions. There is a foreword by Prof. H. A. Innis Published by Ryerson Press, Toronto

Michigan Lifts Suspension of Halsey, Stuart & Co

From Our Own Correspondent

LANSING — The Michigan Securities Commission on Oct. 29, 1932 lifted the suspension of Halsey Stuart & Co., and removed the citation. This gives the investment house again full right to sell securities in Michigan.

Dominion of Canada
4% Loan, 1932

20-Year 4% Bonds in denominations of $500 and $1,000
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Dominion of Canada
4% Loan, 1932

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News of Investment Markets

DOMINION LOAN MOVES SLOWLY WILL BE SOLD

Short Term Bonds Sell Quickly to Large Investors

DEMAND FROM U. S.

Low Coupon Rate, Small Commissions Retard Sale of 20 Year to Small Investors

Using the same nation-wide organization of banks and bond dealers that "put over" the National Service Loan campaign, little less than a year ago, the Dominion Government is offering $80,000,000 of 4 per cent bonds and hopes to sell $105,000,000. No doubts are expressed that the present campaign will be a success but neither is their any doubt that the 4 per cent coupon sets up greater sales resistance on the part of investors who in recent months have seen 6 per cent provincial bonds offered at a discount. The 4 per cent coupon is the idea of the Federal treasury authorities rather than the selling agents. The discount of 6.55 per cent from par does not offset entirely the low coupon.

Rapid over-subscription of $25,000,000 4 per cent bonds due October 15, 1935, was fully expected by dealers since these bonds, offered at 99.20, to yield 4.28 per cent are particularly attractive to large institutional and industrial investors. Since institutional investors were canvassed several days prior to the public offering of the loan, orders had accumulated in sufficient volume to cause the books to be closed on the three year bonds shortly after opening of business on October 31. Dealers secured as many as possible of the short term bonds and there were substantial offerings made to industrial investors on Tuesday.

Long Term Bonds Slow

Sale of the 20 year bonds, maturing October 15, 1952, which are offered at 93.45, to yield 4½ per cent has been rather slow so far in the campaign although as returns from sub-agents in the country districts come in the total volume of sales may be substantially increased. As in the case of the National Service Loan early returns do not indicate particularly strong demand but it will be remembered that the Service Loan gathered momentum each day and $221,000,000 of bonds was sold well within the allotted time. Demand from the United States for the current loan is reported to be better than for the Service Loan bonds and it is possible that some $5,000,000 of the issue may be taken up by American investors who have the advantage of a 10 per cent discount of Canadian funds.

While the 20 year bonds are priced at the market to yield 4½ per cent, the rapid drop in interest rates since early in July may not have been fully appreciated by small investors throughout the country and it is this class of investor that added materially to the success of the National Service Loan. Returns from sub-agents in outlying districts do not reveal, at this early date, any tendency toward large purchases in total by small investors. It would appear that the great bulk of the new loan must be taken up by large investors and many of these are not in a position to take on large blocks of bonds. Lower commissions to sub-agents will also have its effect as it is not profitable to make many canvasses for a commission of 1/16 of 1 per cent on the three year bonds and 3/10 of 1 per cent on the 20 year bonds. In the National Service Loan subagents received ⅜ of 1 per cent.

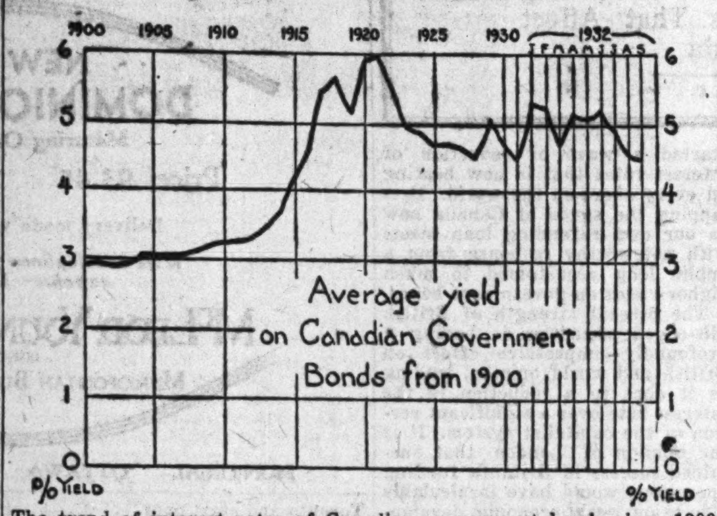
Would Undertake Audit of Northwestern Power

From Our Own Correspondent

MONTREAL.—An independent audit of the assets of Northwestern Power Co., subsidiary of Winnipeg Electric Co., will be sought by a group of the corporation's bondholders, which held a meeting in Ottawa recently. This "independent" group claims it has a financing plan which will protect bondholders and also the holders of the junior securities.

It is planned to send representatives to the meeting of the "official" bondholders' protective committee to be held November 14. It will be asked that proceedings be adjourned and independent auditors named to report on the company's assets

High Grade Bond Yields Lower



The trend of interest rates of Canadian government bonds since 1900 is depicted on the above chart which also shows the monthly fluctuation in the current year and the decline that started early in July.

Distillers To Tell Tale Of Lean Year

Shareholders of Hiram Walker-Gooderham & Worts at a general meeting called for November 18 at Walkerville, Ont., and of Distillers Corp.-Seagrams at a general meeting called for November 30 will hear just how bad the past year has been. The experience of Walker's may be known earlier as that company releases its annual report before the meeting.

Prices charged by provincial liquor commissions have been fairly high during 1932 but the volume has been down and competition in the export market has been very keen with prices too low to give profits such as the companies expected a few years ago. Efforts to reach an understanding between Walker's and the Montreal companies apparently were nearing success at one time, but arrangements made for co-operative serving of the Atlantic Coast of the United States were reported to have fallen through.

Merger rumors have been revived in recent market gossip. This possibility has been much in the minds of executives and investors alike for a couple of years back. The keen competition is believed to have removed many objections formerly held by principal interests in some of the companies.

The value of distilled liquor production in 1931 was $13,055,971, of which $6,409,395 being produced in Quebec and $4,546,457 in Ontario, according to a report issued by the Dominion Bureau of Statistics. Production in 1930 was $24,925,000.

The distilled liquor industry expanded from a production of $3,296,545 in 1922 to $43,752,420 in 1929, owing partly to the modification of prohibition laws in Canada and also to the fact that a large part of its production was exported directly or indirectly to the United States. Since 1930, however, due to the general depressed business conditions prevailing, the industry experienced considerable recession.

In 1931 there were 23 establishments reporting. Of these, eight did bottling only and one distilled wine spirits on commission. These establishments in 1931 reported a capital investment of $55,863,010, a payroll of 1,822 persons who received $2,223,477 in salaries and wages.

5,000,000 Gallons Produced

Whiskies and other potable spirits produced during the year and put in bond for maturing totalled 4,954,123 gallons with the inventory value of $2,449,161, while whiskies and other potable spirits bottled or shipped in bulk totalled 3,504,421 gallons valued at $12,959,924. Other important products were denatured alcohol 2,092,610 gallons valued at $1,033,895 and non-potable alcohol 1,404,081 gallons at $518,374. In order to avoid duplication, however, the prime cost of spirits produced in previous years and which were bottled or shipped in bulk during 1931 must be deducted from the value of production in order to arrive at the value of new products made by the industry in 1931.

Imports of distilled liquors in 1931 totalled 1,515,949 gallons with a value of $24,807,259. This is a decrease of 581,333 gallons over 1930. Exports amounted to 2,562,298 gallons valued at $12,460,929, a decrease of 805,462 gallons as compared with 1930. There were also 190 gallons of distilled liquors re-exported in 1931.

Deny Quebec Plans Issue of $7,500,000 of Bonds

From Our Own Correspondent

MONTREAL.—Reports that the Province of Quebec was to enter the market shortly with an issue of $7,500,000 of bonds has been officially denied. Press dispatches stated that such a loan was imminent but authorities have stated that no such course is planned immediately. It may be expected, however, that the province will seek a loan at a later date.

ALBERTA PACIFIC CLASS "B" COMMON TO BE CANCELLED

Shareholders Give Necessary Authority at Special Meeting

From Our Own Correspondent

Calgary.—Cancellation of the company's 20,000 class "B" common shares was decided upon at the special general meeting of the Alberta Pacific Grain Company Ltd., on November 1. These shares have been held by a trustee for the company during the last two years as security for moneys owing the grain firm.

Decision of the shareholders will reduce outstanding common shares of the company from 100,000 to 80,000. Voting rights formerly held by the class "B" common shares were transferred to the class "A" common shares, formerly without voting privileges.

Following the special meeting, the annual session of the shareholders was held and the financial statements for the last fiscal year approved. The present board of directors were re-elected including H. E. Sellers and H. W. Webster, of Winnipeg; J. R. Murray, Calgary; A. F. Culver, Toronto; Lawrence Killam, Vancouver, and C. W. Band, Toronto.

Mr. Sellers was again chosen as president and Mr. Murray secured re-election as vice-president and general manager while Cecil Lamont, Winnipeg, and C. J. Bingley, Calgary, were retained as secretary and treasurer respectively.

ST. BONIFACE FAILS TO MEET INTEREST

Relief Costs Cause Default—Prepares Plan for Bondholders

The City of St. Boniface defaulted November 1 on the payment of interest coupons due on its debentures. A statement issued by Alderman Murchison, on behalf of the city council, declared that the city's inability to meet its interest payments has arisen out of the extraordinary demand it had to meet for unemployment relief. Delays on the part of the Dominion and the provincial government in paying to the city their shares of relief expenditures were also blamed. Reference was made in the statement to the difficulties of making tax collections, and the undesirability of the city borrowing from the bank, even if practicable to make interest payments.

It is further intimated that the city is preparing a plan to submit to the holders of the city's bonds, which will shortly be presented. It is considered possible that provincial legislation will be suggested, under which a supervisor representing the bondholders might be appointed.

Ontario Bakeries Makes Assignment

Voluntary assignment in bankruptcy has been made by Ontario Bakeries Ltd. to facilitate reorganization. A. B. Shepherd, C.A., of Peat, Marwick & Mitchell, has been appointed interim liquidator and business of the company will be carried on without interruption. It is reported that necessary financing has already been arranged.

Subsidiary of Canadian Terminal System Ltd., Ontario Bakeries Ltd. has been in considerable difficulty during the past three years and in April, 1931, bondholders agreed to suspension of bond interest payments to January 1, 1933. In the year ended March 26, 1932, sales showed further decrease and there was a net loss of $59,258 on operations after provision for depreciation. The plant at Sault Ste. Marie, Ont., which had been operated at a loss, was sold in May, 1932.

EXPLAINS REASONS CANADA'S CONTROL OF WHEAT EXPORTS

Broomhall Cites Four Factors Which Will Affect Wheat Prices

Explanation of the unusual sequence of events which has served to throw the major portion of the world trade in wheat in Canada's way at a time when Canadian supplies are at flood-tide, is contained in a comprehensive review of the international wheat situation written for the Manchester Guardian Commercial, by G. J. S. Broomhall, famed wheat expert.

Canada dominates the international market at the present time, says Mr. Broomhall, but millers are very cautious in their buying because they feel that if there were any advance in prices there would be an avalanche of selling from U. S. sources.

Cites Price Factors

The principal factors which will affect world price movements in the next few months are thought to be as follows: the degree of pressure in Canadian exports; crop progress in the southern hemisphere; volume of Russian exports; and the course of business and business sentiment.

The attempt to force up prices of commodities in the United States, he says, effectively cut off supplies from that quarter; poor crops eliminated Danubian competition, and quite likely poor or moderate crops have made Russia's competition almost negligible; good crops in Germany have induced that country to export substantial amounts of native wheat and replace the supply by importing Canadian wheat, and, finally. China has bought in Canada because the Australian supply is running short.

This lack of selling competition, it is pointed out, has brought expressions of surprise that Canadian markets should find it impossible to lift prices, but Mr. Broomhall shows that there are two sides to the matter, for though the demand is big and very broad yet against the buying support there must be put the heavy stocks and the marketings of new wheat which ran as high as 6,000,000 bushels per day.

Heavy Crop Surplus

Attention is drawn to the heavy supplies available in spite of heavy crop losses in some of the most fertile regions, the crops of the northern hemisphere, excluding Russia and China, but including an allowance for Russian exports, being about 56,000,000 bushels larger than last year and 32,000,000 bushels larger than the year before. All of this increase is due to the large world reserves on August 1, represented largely in the carryovers in Canada and the United States.

Added to these large wheat supplies was the large rye crop of Europe, which is a substitute for wheat, and the large crop of maize which promises not only in Europe but in the United States

It is pointed out that these world reserves have increased substantially since 1929, and in fact have been steadily accumulating since 1926. This increase year after year in stocks, says Mr. Broomhall, can have only one meaning—that is, the quantities harvested yearly are not all being consumed in one season—and it is well known that stocks have been an increasing burden on the markets. In the present season, the total supply, actual and prospective, available for consumers exceeds the probable requirements by such an ample margin that it is quite safe to predict that all will not be sold to consumers before new harvests are obtained in Europe and North America.

Canada Controls Market

There is no doubt, says Mr. Broomhall, that Canada's crop and cheap offers are controlling the international market at the present time and will probably continue to do so until new harvests are obtained in Argentina and Australia, but millers are buying very cautiously, for they are probably convinced that though United States holders are slow to offer now, yet there would be, almost certainly, an avalanche of selling if any big advance in prices should occur on this side The wheat is certainly there, and there can be no doubt it will be sold immediately there is a favorable opportunity, he concludes.

In regard to prices, the author is of the opinion that the principal factors that will affect world price movements in the next few months will be the degree of pressure of Canadian exports, crop progress in the southern hemisphere, the volume of Russian exports, and the course of business and business sentiment.

Burnap Gets Appointment for C. N. R. Chicago Office

From Our Own Correspondent

MONTREAL.—Announcement has been made of the appointment of R. L. Burnap as executive assistant in connection with C. N. R. lines located in the United States. Mr. Burnap, whose office will be in Chicago, has been traffic vice-president since 1930.

Announcement has also been made of the appointment of Alistair Fraser, K.C., as acting traffic vice-president. Mr. Fraser was appointed general solicitor for the Canadian National Railways in 1919 and became commission counsel in 1923. In 1929 he was promoted to the position of assistant general counsel.

Bidgood Urges Shareholders to Provide Needed Funds

Shareholders of Bidgood Consolidated Mines are in receipt of a report on the present status of the company, which says that unless funds are forthcoming to meet the $23,000 indebtedness a trustee in bankruptcy is inevitable.

Creditors are pressing for about $10,000 of this amount and shareholders are asked to subscribe for the remaining 200,000 treasury shares at five cents each.

J. E. Grant reported on the property this summer and recommended a small mill to treat the known ore and said further development work should be undertaken.

Provincial Financing Was Feature in October

Volume of Municipal Financing Relatively Small Compared With October, 1930—Cumulative Total For 1932 Under That of 1931 and 1930

Canadian financing during October presents a very different picture from that of October, 1931, since all financing was virtually at a standstill in 1931 following Great Britain's going off the gold standard on September 21. During the past month provincial financing has held the centre of the stage although some municipalities have secured good prices for their bonds. The prospect of early financing by the Dominion Government resulted in an easing off in volume of new financing during the latter part of the month.

In October, 1930, new financing was quite active and many municipalities came into the market. In that period the Dominion Government placed an issue of $100,000,000 4 per cent bonds, due 1960, which were offered by a large syndicate of American and Canadian investment houses to yield 4.28 per cent.

Totals of government and municipal bond issues floated during October in the past three years and totals for the ten months ended October 31, have been compiled by Wood, Gundy & Co. as follows:

COMPARATIVE STATEMENT OF GOVERNMENT AND MUNICIPAL FINANCING FOR OCTOBER

October—	$ 1930	$ 1931	$ 1932
Dom. and Dom. gtd.	100,000,000	....	....
Prov. and Prov. gtd.	6,419,000	....	19,410,000
Ontario Municipal	2,690,166	....	847,071
Quebec and Maritime Municipal	1,572,300	41,200	820,600
Western Municipal	5,275,088	....	179,700
	115,956,554	41,200	21,257,371
Sold in Canada	22,606,554	41,200	6,057,371
Sold in U. S. A.	93,350,000	....	15,200,000
Sold in England	....	....	....
	115,956,554	41,200	21,257,371
To October 31—			
Dominion Govt.—Direct and gtd.	178,600,000	x759,816,500	†60,000,000
Provincial Direct and gtd.	108,137,000	130,416,205	185,150,336
Ontario Municipal	51,815,423	33,342,151	31,056,848
Quebec and Maritime Municipal	28,199,000	43,301,000	55,506,987
Western Municipal	29,091,801	11,413,363	4,263,766
	395,843,224	978,289,219	285,977,437
Sold in Canada	152,729,124	224,676,719	192,949,104
Sold in U. S. A.	236,294,100	111,579,000	79,450,000
Sold in England	6,820,000	2,217,000	13,578,333
Conversion Loan	....	639,816,500	....
	395,843,224	978,289,219	285,977,437

x—Includes $639,816,500 Conversion Loan.
† Does not include new Dominion Loan 1935 and 1952 publicly offered Oct. 31, 1932.

SOME EXPANSION IN RETAIL TRADE

Christmas Business, Dry Goods, Boots & Shoes Make Some Gains

The weekly trade report of Canadian Credit Men's Trust Association for the week ending October 29, 1932, is as follows:

Halifax—Conditions generally continue with very little change. Wholesale trade quiet. Retail trade only fair. Collections slow.

Saint John—Wholesalers report a restrcted volume of business. Retail trade below normal and rather unsatisfactory, partially due to the prevailing unusually mild weather. Collections continue slow.

Montreal—Wholesale dry goods and clothing continue quiet; groceries and boots and shoes fair. Retail trade, both city and country, continues fair. Wholesale collections reported fair. Retail collections slow.

Toronto—Seasonal goods show reasonable sales improvement. General conditions unchanged. Some factories have experienced considerable increase in production for Christmas trade. Business generally looks to a fair season. Manufacturing for export also reports increase. Building trades, including lumber and steel, practically dormant. Collections fair.

Winnipeg—Manufacturing continues fairly steady. Dry goods, boots and shoes and clothing lines are moving fairly well, particularly rubber footwear. Wholesale groceries fairly good. The wet weather prevailing has created a steady demand for rubber footwear and heavier lines of clothing. Other lines of retail trade only fair. Retail collections slow. Wholesale collections — current accounts being met fairly promptly with very little, if any, reduction being made on old accounts.

Regina—Wholesale grocery sales continue fair. Dry goods still showing considerable improvement over last year. Fairly good hardware trade at present. City retail trade reported quiet. Country retail just fair. Wholesalers report current accounts being paid fairly promptly with no reduction on old outstandings. Retail city collections fair to slow; very slight reductions being made on retail country accounts.

Moose Jaw—Wholesale boots and shoes quiet; wholesale and retail hardware fairly good; wholesale and retail groceries fair. Retail dry goods fair. Collections fairly good.

Saskatoon.—Wholesale grocery sales still continue fairly good. Hardware, boots and shoes and clothing fair. Retail trade fair only. Collections: Wholesale show very little improvement; retail only fair.

Calgary—Wholesale and retail lines continue to show satisfactory volume. All other lines quiet. Collections show slight improvement.

Edmonton—Conditions continue very quiet with practically nothing being collected on old accounts.

Vancouver—Wholesale and retail trade reported fair, with no material change in conditions over past week in any line of business. Collections in hardware reported as being a trifle better.

Bond Tenders

Nov. 7, Twp. of Stamford—$42,814, 5 per cent 18-installment debs.; $14,687, 5½ per cent 18-installment; $14,478, 5½ per cent 19-installment.

8 p.m., Nov. 15, School Municipality of Saint Barthelemi—$24,000, 6 per cent, 20-year bonds, dated Sept. 1, 1932, maturing a part each year from Sept. 1, 1933 to Sept. 1, 1952. A. St. Antoine, sec.-treas.

Nov. 19, County of Peterborough—$35,000, 5½ per cent 10 installment debentures. E. M. Elliott, county clerk.

Nov. 28, noon, Town of Sioux Lookout, Ont.—$18,000, 6 per cent 15 installment debentures, dated Dec. 1, 1932. J. E. Cole, treas.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Northern Electric	*5%	1939	Dec. 1	105
Dominion Glass	*6%	1933	Dec. 2	110
Int. Pwr. Secs. 'B'	6½%	1954	Dec. 1	104

*Called in part.

FIRSTBROOK BOX WILL REORGANIZE

Preferred Shareholders to Get Common—To Issue New Bonds for Old

Preferred and common shareholders of Firstbrook Boxes Ltd. will meet on November 16 to consider sale and disposition of the company by the Toronto General Trusts Co., acting as receiver, in accordance with an offer made by Robert Gair & Co. The offer provides for incorporation of a new company with an authorized capital of 2,000 preference shares of $100 par value and 100,000 common shares of no par value.

The new company is to issue bonds which will be exchanged for bonds of the old company in principal amount equal to amount due on principal and interest on bonds outstanding of the old company. Existing bank indebtedness will be taken over by the new company, and creditors, whose claims exceed $1,000, will receive non-voting preferred shares of par value equal to their respective claims. Present preferred shareholders will receive five new common shares for each share of preference stock held and one new common share will be issued for each 20 shares of old common stock held.

The new company is to pay all costs of reorganization and provision is made for the issuance of additional bonds to cover such costs. Robert Gair Co. is to sell the new company machinery valued at some $73,000 in consideration of 72,165 shares of new common stock. Application will be made November 19 for approval of the court to sale of the company.

York County Trade Valued at $450,000,000

Preliminary tabulation for all retail merchandising and service establishments in the County of York, including Toronto, shows a retail trade of almost $450,000,000 in 1931. Sales of $399,784,300 were reported by 10,707 retail stores in the county while 3,961 service establishments did a business of $48,002,600. The population was 856,955.

The business of the county is concentrated in Toronto as the revised figure for the sales of retail stores is $373,775,300 and the receipts for service now placed at $46,021,700.

Although 225,748 persons live outside the city limits, the business of the 1,838 retail stores in this area amounted only to $26,009,000 and that of 505 service establishments to $1,980,900.

The retail merchandising trade in the County of York gave employment to 48,318 persons who received $55,096,900 as salaries and wages in 1930. The service establishments required 13,157 employees who were paid $14,458,700 for the year.

British Anthracite Imports Dominate in September

Imports of anthracite in September were as follows: grate anthracite from United Kingdom 166,998 tons valued at $832,700, from United States 108,028 tons at $798,065, from Germany 4,157 tons at $22,653. Anthracite not otherwise provided for: from United Kingdom 4,446 tons at $10,913, from United States 12,453 tons at $37,053.

During the six months ending September the total imports of anthracite were: United Kingdom 896,461 tons valued at $4,559,315. United States 645,185 tons at $4,680,553. Germany 18.923 tons at $69,532.

Canned Food Industry Progresses

The canned foods industry in Canada has made rapid strides in the past few years, as evidenced in a census of industry report. Since 1921 the number of plants in operation increased by only eight but the capitalization more than doubled while the number of employees almost doubled. The volume of fruit and vegetable preparations increased 95 per cent.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Lake o' Woods Milling	Aug. 31	111,369	*1,426,946	0.43	...	...	604,888	536,353	7¾	18	...
Laura Secord Candy	Sept. 30	281,261	300,037	4.89	5.22	3.00	945,505	886,744	38	7.7	7.9
Blue Ribbon Corp.	June 30	79,521	210,269	0.06	1.81	...	42,341	139,993	...	...	...
Maple Leaf Milling	July 31	*230,587	143,428	...	...	...	409,090	639,677	3	...	...

*Deficit.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
St. Lambert, Que.	Oct.	Bk. Canadienne Nationale and Syndicate	6%	Serial	$300,000	*100	6%
Camrose, Alta.	Oct.	R. Ross Alger Corp.	6%	15-yr.	12,000	....	...
Sch. Comm. of Montreal East	Oct.	Bk. Canadienne Nationale	5½%	5-yr. ser.	76,000	99.02	...
Dominion—							
Dominion of Canada	Oct. 31	....	4%	1935	$25,000,000	*99.20	4.28%
			4%	1952	55,000,000	*93.45	4.50%

*Offering price.

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AN INVITATION:-

From Nov. 4th to 12th, the Canadian Business Equipment Manufacturers Association is holding its second annual Business Show in Eaton's College St. Store (Executives' night, Tues., Nov. 8).

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TORONTO, NOVEMBER 5, 1932

C.N.R. MANAGEMENT NOW CUTS EXPENSES

CREDIT should be given to S. J. Hungerford, president of the Canadian National Railways, and his officers for their achievements in curtailing expenses of the government railway this year.

Figures compiled by The Financial Post are, we believe, of first-rate importance in throwing some light on economy as it has been applied on Canada's two transcontinental railway systems.

In railway circles there is a rule of thumb index of operating economy that can be applied. When gross revenues decline it is not possible to reduce working expenses by the same amount. If, for example, revenues decline by $100,000,000 it is not possible to reduce expenses by $100,000,000 since there are certain fixed expenses that must go on no matter what amount of traffic is handled. Payments to train crews and shop men will decline but the gateman at the level crossing and the signalman in the tower must be on the job whether ten or twenty trains go through each day. But, roughly speaking, it is possible by good management to reduce expenses by 70 per cent of the amount of the decline in revenues—or in the case quoted above by $70,000,000. The large American lines have not been able to keep up to this mark. Profits flower at the top in railroading as in every other business.

Now let us apply this rule of thumb test to the C. N. R. and the C. P. R. The year 1928 saw the peak of revenues on both lines.

Between 1928 and 1931 revenues of the C. P. R. declined $86,700,000. Expenses then should have declined 70 per cent of this amount or $60,700,000. Actually they were reduced $60,600,000. The C. P. R. apparently slashed its operating expenses to the practical limit. If there is any validity to the 70 per cent rule, the C. P. R. management deserves the highest commendation.

Now let us look at the C. N. R. Between 1928 and 1931, revenues of the C. N. R. declined $99,300,000. Expenses then should have declined $69,500,000. Actually they were reduced only $48,500,000 or less than 50 per cent of the decline in revenues. The C. N. R. quite obviously lagged behind its great competitor in expense cutting.

But this year the Canadian National Railways is not only keeping up to the savings ratio of 70 per cent but it is catching up on previous years.

In the first eight months of this year revenues declined $24,300,000. But expenses declined from 1931 by more than 100 per cent of this or $25,500,000.

Having introduced its economies earlier, the C. P. R. has not the same opportunity to curtail costs this year but it has nevertheless cut expenses by more than 70 per cent of the decline in the year's revenues. Revenue is down, for eight months, by $18,200,000. Expenses have been cut by $15,300,000 or 84 per cent of the decline in revenues.

The best contribution that can be made by the two groups of railway operators to the solution of the railway problem in Canada is to continue this rigorous economy. Ten years of economical operation of our two large railways would restore C. P. R. common stock to its rightful and traditional position as Canada's premier investment and lift a great burden from the shoulders of the taxpayers.

ARE WESTERN PREMIERS MINDING BUSINESS?

THE recent suggestion of the three Prairie premiers that the Dominion government should pay another wheat bonus to farmers this year raises some interesting considerations.

Messrs. Brownlee, Anderson and Bracken are running the risk of a retort from the Dominion government which would be the courteous equivalent of "mind your own business." These gentlemen have, or should have, a great deal too much to do in attending to the problems of their respective governments without taking an occasional day off to tell the Dominion government what it should do in its own field. It is more than possible, for example, that had Premier Bracken found more time in the past to attend to strictly provincial matters, and in particular how provincial audits were conducted during the time that he was provincial treasurer, there would be no need for a royal commission to be presently investigating the loss of more than a million dollars of the provincial university funds.

Any citizen or any interest in Western Canada feeling the need of representations to the Dominion government can proceed to make them, directly if desired, or through any one of several members of parliament, who since parliament is now meeting, can make their voices publicly heard, if necessary. Indeed the executive of the U. F. A., meeting at Calgary, who are also in favor of a bonus on wheat, have taken the entirely correct procedure of asking an Alberta member of parliament, Robt. Gardiner, who also happens to be their president, to put their views before the government.

There is more to this than merely making a sharp retort upon the western premiers. We have in Canada a highly organized system of government, indeed one much too highly and completely organized. Since it is there we may as well allow it to work, until something better is devised. That system rests upon a division of functions and spheres between the dominion and the provinces. For the western premiers to attempt to act as a channel of communication between the citizens of those provinces and the Dominion cabinet is to run counter to the whole theory and practice of government in Canada, and to make it more difficult, instead of easier, for our system of government to function. The provincial governments and the provincial legislatures have a very wide field under their exclusive jurisdiction, indeed a field that in many respects is probably too wide. A provincial premier who attends to his own job will find that he is fully occupied. He will lack the time and the information, just as he lacks the responsibility, that would enable him to deal with matters that are within the sphere of the Dominion government.

It is desirable to say this because of a further announcement from the provincial premiers that they intend to make a regular feature of monthly meetings between members of their respective governments. If they find such meetings, and a discussion of such problems as are common to all of them useful in attending to their own business, there will be no cause for complaint. But if they contemplate something in the nature of a new interprovincial organization ambitious to interfere in matters outside of their own sphere, they will undoubtedly merit, as they will undoubtedly receive, something in the nature of a rebuke, either from the Dominion government or the Dominion parliament.

And the provincial premiers should not forget, to use a word that for the moment may be reappropriated from the card table, that they are vulnerable.

SEIZING GRAIN FOR TAXES

IT WAS recently reported in The Financial Post that municipalities in Western Canada, under the leadership of the provinces, were seizing grain for taxes when farmers did not pay promptly. Such action constitutes the beginning of a new policy. In the past the municipalities have generally followed the procedure of seizing the land itself. As a large percentage of western farms are mortgaged this had the effect of putting it up to the lending institutions and investors to put up the tax money and thus save the security for their loans. This has meant that in times of business distress the mortgage companies have paid the taxes and added them to their loans. Undue advantage of this procedure was taken by many farmers.

It is better all around that farmers should pay their taxes themselves. Not only does it reduce the likelihood of their eventually losing their homes through the accumulation of a burden beyond their ability to pay but it ensures that they will be active in pressing for economy in municipal spending.

It sounds like a very brutal and cold-blooded thing for a municipality to do, to sieze a farmers' grain when he is having difficulty in carrying on in any event, but in the long run it is in the farmers' best interest and is much better than attaching the land. The policy is being applied with some lenience and in no case is it being enforced in such a way as to leave any farmer in want.

IS EASIER CREDIT WAY OUT?

THE Vancouver Sun wants the government "through a federal reserve or other system" to enlarge the volume of bank credit in the country.

The United States already has a federal reserve system and yet it has not given that country the huge volume of credit that liberal economists think is necessary to end the depression.

Britain has the Bank of England yet industry has complained of the shortage of bank credit in that country ever since the war.

In both countries recent attempts to force bank credit into use have so far failed.

How would the Vancouver Sun enlarge the volume of credit in Canada and force it into use? And how would it do it without so impairing the value of the Canadian dollar that the home price level would be raised out of line with that of other countries?

That this is a monetary depression can hardly be denied. That back of the outcries of embattled editors, like the gentleman on the Pacific Coast, lie fundamental weaknesses in the world credit structure also cannot be denied. The chief mistake made is in assuming that the solution can be produced as simply as getting water out of a faucet.

If our credit system is all wrong it is at least the product of all the generations of experience the world has had. A better system cannot be drawn out of a hat. It will be evolved out of the present system. The process will be slow. Experience is the best teacher but its pupils are slow.

POLITICAL PORK IN U. S. AND IN CANADA

IN THE United States all publicly-owned canals are operated without tolls. Canals have shared with river and harbor improvements the dubious honor of being the chief outlet on pork barrel appropriations. The annual report of the Chief of Engineers of the U. S. Army is a document of 2,334 pages and it is entirely devoted to a survey of construction and operating expenditures on rivers, harbors, canals, etc. There is an enormous traffic on U. S. rivers and other inland waters and it is growing. Obviously, improvements are called for on many of these waterways. But the average citizen is not in a position to distinguish between a necessary navigation improvement that is of general interest, a plain pork barrel project to win votes for the local Congressman, and a canal or other project that is a governmental invasion of what should be private business, and that is of benefit to a few people, though operated at public expense. Hence public opinion across the line is indifferent to canal and river improvement expenditures.

In addition to its work under the Department of War, the U. S. operates inland waterways and barge lines through the Inland Waterways Corporation which sets up its accounts to show a profit, but that demonstrably loses millions of dollars a year of the taxpayers funds.

All told, the United States government has invested or expended upon waterway projects roughly a billion and a half dollars of which half went for harbors to keep the railroads from ending at dead ends; one-third for flood control projects; and the remainder for purely navigational purposes.

All waterways constructed and maintained by the Government, with the exception of the Panama Canal, are maintained as free rights-of-way available for use to anyone.

The ambitious bureaucracy that has built up this enormous political machinery of waterways now wants to reach out to grasp new navigational arms. It has proposed that the Federal Government take over the expense of operating the New York State barge canal. Of this canal, the officer in charge said in 1925: "It would have been cheaper for the state if all the freight carried on the canal had been put in railroad cars and the state had paid the freight bills."

The experience of bureaucracy in the United States in its handling of canals should be a lesson to us in Canada. Our own canals are operated entirely at the taxpayers' expense and without tolls. To a considerable extent our policy has been dictated by American precedent and on the international waterways by treaty with the States. We propose to operate the new St. Lawrence channel at public expense, charging nothing to those who will benefit from using it.

It is time that this bonusing of special interests from the taxpayers' funds should be stopped. All of our canals should be made to stand or fall on the businesslike basis of paying their own way.

MIGHT HAVE BEEN WORSE

THE man who said that all advertising was good advertising knew very little about the emotions of the public and its stubborn responsiveness to honor and integrity.

R. Home Smith, a Toronto financier, real estate man and political prompter, went before a group of advertising men the other day and in a mood half serious, half bantering indicated that he did not need to pay money for advertising because he had only to annoy two Toronto papers to get all the advertising he wanted free of charge. At the same time he poured from a flask taken from his hip pocket "an amber fluid" which newspaper reporters did not attempt to describe more particularly but which apparently was not poisonous since he drank it then and there without dropping dead.

Such profound clowning would be worthy of Will Rogers or George Robey. Coming from a man whose financial operations have in the past and will in the future require the respect and good will of the public, it writes a notable footnote to a busy and often unconventional career.

Yet if the truth must be told, publicity has been good to Mr. Smith not for what it has told about him but for what it has kept secret. Mr. Smith has been made to look a little foolish by the newspaper reports of the incident but even Mr. Smith would admit that it might have been worse.

EDITORIAL NOTES

The Russians would say that the giant farms are only the first steppe.

* * *

Science has discovered that din and noise bring on old age. We've noticed the year passing by amid the hullabaloo on New Year's eve.

* * *

Clemence Dane, arriving in New York, says she will tour the country and lecture at odd places. As she is coming to Toronto, other Canadian cities may write their own wheeze.

POST-scripts

THOUGH changes in the London Times, references to which were made in these columns recently, are striking, the symbol of a clock, standing at the head of the leading editorial for the past century, has been retained. Few stop to think why the hands of the clock should be pointing to six minutes after six, but there is a definite reason. In the late eighteenth century lateness of parliamentary debates often delayed publication of newspapers. Newsmen in the city used to say at nine in the morning that The Times had not been printed and asked for another paper. This situation was countered by timing as well as dating The Times and the clock hands show the usual time at which it was published daily between 1806 and 1840.

MR. SPEAKER in the House of Commons is a suave and amiable gentleman and under the guise of enforcing the rules of debate he occasionally pours oil on troubled waters.

Here is the official Hansard record of a brief interchange on the floor the other day:

Mr. COWAN (Long Lake): Should we hand the administration of this over to you who have challenged the democracy of the empire? Do you think we are going to take any such chance? What would happen? I am a foolish man to be here and any man is foolish to be here who has to make a living—

Mr. VALLANCE: You are not half as foolish as the Long Lake constituency.

Mr. COWAN (Long Lake): Say, look here, my dear boy—

Mr. SPEAKER: I am sorry to interrupt the hon. member, but I would call his attention to the fact that the proper form of debate is to address the chair. Hon. members should be referred to in the third person.

HERE'S a story that is going the rounds. Two unemployed men with 25 cents between them spun the coin for the joy of a bath. Jones won and departed with the quarter into the public baths. Smith followed him in, stole his clothes, and pawned them for $2. Walking down the street he saw clocks being sold in a jeweller's window for $40, one dollar down and the balance in installments. He signed a contract, paid one dollar and took the clock. Further down the street he pawned it for $15 and with the proceeds redeemed Jones clothes, which he returned. The jeweller, however, had identified his clock in the pawnbroker's window and had Smith arrested. Smith appeared in court, proved he was living up to his contract in the clock purchase, and promptly entered a counter-charge for false arrest. He was awarded $1,200. Now both Jones and Smith have season tickets to the public baths and an unbounded admiration for jewellers.

FOLLOWING the census of 1931 the representation of the people in the House of Commons should remain the same as at present, 245 members, according to a report issued by the Dominion Bureau of Statistics. Changes are indicated in the representation of four provinces. The unit of representation is 44,186 persons as compared with 36,283 in 1921, 30,819 in 1911, 25,368 in 1901, 22,901 in 1891, 20,908 in 1881 and 18,331 in 1871.

The population of Quebec constitutes the basis on which the unit of representation in the other provinces is fixed. The number of members to which each province is entitled is: Quebec, without New Quebec, 65; Prince Edward Island 4, no change; Nova Scotia 12, as compared with 14 at present; New Brunswick 10, as compared with 11 at present; Ontario 82, no change; Manitoba 17, no change; Saskatchewan 21, no change; Alberta 17, an increase of one; British Columbia, an increase of 2.

The representation of the Yukon is not determined by the B. N. A. Act but is within the competence of Parliament to decide. It is presumed it will continue to be represented.

Prince Edward Island would have only two members on the strict basis of population but its representation remains unchanged at 4 under the legislation of 1915.

As Others See Us

Plenty of Them

Saint John Telegraph-Journal: The Toronto Financial Post, discussing the job of finding a man to act as chairman of the trustees of the Canadian National Railways, to lift and keep them out of politics lays down: "Mr. Bennett must find a man still in the prime of life, with the relentless financial genius of Sir Herbert Holt, the intellectual statesmanship of Sir Joseph Flavelle, the working knowledge of Canada of E. W. Beatty and the political courage of Mr. Bennett himself."

To this the St. Catharines Standard in discouraged mood adds: "Perhaps it would be well to have Gabriel sound his trumpet. There might be such a man found among his hosts. Where is there a living Canadian with the combined qualities of the four men named?"

It would have done the Standard good to have heard the lusty and spontaneous shout, "Here!" when this question was put to the newsroom. Almost everybody consulted admits that, if modesty did not forbid, he knows one such man.

A Sensible Suggestion

Whitby Gazette-Chronicle: An excellent idea is put forward by The Financial Post when it suggests that "Remembrance Day," now fixed by government order as a statutory holiday, on November 11th, should instead be on the Sunday nearest to that day.

Thanksgiving Day and Remembrance Day were formerly celebrated on the Monday nearest to November 11th, but in recent years they have not been identified with each other, which has meant an extra holiday, for some people at least. There has been hesitancy or uncertainty on the part of some business concerns to observe Remembrance Day as a holiday in addition to Thanksgiving Day and others have strenuously protested against the addition of another day to the list of public holidays that are bad for business.

Remembrance Day, when it falls on a day other than Sunday, is usually made the occasion for merrymaking and recreation, apart possibly from an hour or two for memorial services. It would seem to be much more conducive to the solemnity of the occasion and a more appropriate atmosphere if Remembrance Day should always be on a Sunday. We believe that if a vote were taken of the war veterans, and of those who lost loved ones in the war, it would be almost unanimous in favor of a Sunday observance of the day.

It is to be hoped that the government will take action at its present session to rectify the mistake made when November 11th was declared as a statutory holiday to be known as Remembrance Day, and that the reasonable and appropriate solution of the objections raised in many quarters will be the fixing of this national memorial day on the Sunday nearest November 11th.

Other People's Views

Refers to Interesting Court Decision

Hardware and Metal, Toronto.—In the October 31, 1931, issue of Hardware and Metal appeared an item stating that a recent court decision in Germany was to the effect that failure to read trade papers was a case of gross negligence and in no sense an excuse for failure to know facts clearly indicated in those publications. The item continued, "Disregard for thoroughness and efficiency and the insistence that no means of efficiency shall be neglected, provides a real insight into the basis of German character, particularly from an industrial standpoint. It is generally considered that whether or not a man reads the press that specially caters to his line of business is a very fair test of his attitude toward his calling. Progressive people feel that they cannot afford to miss information which may be vital to them in their business dealings."

Unusual Humility

Edmonton Journal: The governor of the Bank of England admits that he has found it necessary to approach the staggering problems that the economic depression has thrust upon him "not only in ignorance but in humility." His motto, he says, has had to be "one step enough for me." Those we find around us on every side who are quite sure that they have the proper solutions for all the world's troubles must of course be amazed by such a confession.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

LONDON FEELS CHEERY

LETTERS from London make it clear that financial opinion in the city is not generally as pessimistic as Governor Norman's recent outburst, referred to in this department last week, would lead the rest of the world to believe. It is said to be the composite opinion of British financial leaders that while there is a large measure of correction still necessary it has been discounted in the public mind and that the patience of the average citizen has not been exhausted and he will not ask too much. London goes further and declares that the bottom of the depression has been reached and that the initial steps in recovery have been taken, though they may be somewhat laborious steps in the manner of a man using his feet for the first time after being in a plaster cast.

* * *

IF THERE is one reason more than any other why British financiers have swung around to this view, it is the success of the funding programme of the British treasury which has not only reduced the interest burden borne by the British taxpayer but has started a wave of reduction of interest rates that is now beating on every shore in the world. It is lapping the sands of Canada now as our own refunding loan meets with noteworthy response from a public long accustomed to much higher yields on government bonds.

The present strength of British gilt-edged securities is having a profoundly impressive effect on British and world opinion, leading as it does to a reduction in the interest rate over a significant section of the capitalist system. It is the opinion of London that sustained success in Britain's funding operations would have incalculable effects on world economic development and might be classed as one of Britain's greatest constructive achievements in the economic field. In fact, one commentator declares that its second-hand results in the sphere of world politics would be considerable, because nothing could be more conducive to a settlement of some of the most intractable international problems than the rebirth of hope in countries where the distortion of relation between debtor and creditor has brought misery to millions.

Quick Money

A Fable of the High Road and the Low Road to Happiness

By BRUCE MINER

If ten people were asked what they want most they might not answer "Money," but nine of the ten would answer something that money would get.

We all want money. We all want it soon. It indicates ambition; without ambition people go back. Ambition helps to drive ahead.

Now as one philosopher said "Let us reason together." Supposing a man had $1,000 and bought an automobile worth $1,000. He is in Toronto and for purposes of illustration we will say Hamilton is the thing or place or what not that to him is money or what money would get. He would like to be in Hamilton. If he can get to Hamilton he will be rich. He will be worth $100,000 or whatever in his mind means riches.

There are two roads to Hamilton. There is the Lake Shore* road; it is the short road. Let us say he can drive that road with his $1,000 automobile in one year. On arrival in only one year he gets $100,000.

But there's another road. The Dundas Road. Takes ten years. Maybe twenty years. Awfully slow. But safer. Much safer! "Let's take that," says his wife.

Now what are they going to do? What does nearly everybody do? Take the Lake Shore road, of course! Dangerous road? Sure, but he says he's a good driver.

"Are you sure?" says his wife.

"I am," says he, and away they go on the Lake Shore road, the quick road to riches.

At Sunnyside they know they must be right. See all the other $1,000 automobiles going the same way. All just starting. All going to Hamilton. All going to get $100,000 when they get there.

Wife looks out the window. "Is that a black cloud?"

"No," says he, "if it is, it's going the other way."

A little farther. "Is that a danger sign?" says Wife.

"Yes, crooked here. Sharp turn—lots of sharp turns on this road. But it's shorter.

Farther on. "Look at those people going the other way. They look wet," says she. "Must be a storm ahead."

"Yes," says he, "but it will be gone when we get there."

Farther on. "Been raining here," says Wife. "May skid."

"Yes, been raining, but the fellow that is giving us the $100,000 when we get to Hamilton gave me a pair of guaranteed non-skid chains. We won't skid."

Farther on. "Didn't we skid a little on that turn?"

"Yes, we did a little," says he, "just a little, but I was going fast. We're in a hurry, you know."

Farther on. "Was that a puncture?" says she.

"Yes, but we'll fix that alright. Fellow that sold me this car said these tires were puncture-proof. Funny, eh?"

Farther on. "Look at all the $1,000 cars in the ditches. We have passed a lot of them," says Wife.

"Poor drivers," says he. "Poor cars, too. We're alright."

Farther on. "Did the man that took your $1,000 for this car say the gas tank was full enough to get to Hamilton?"

"Sure," says he, "Guaranteed, but at that I noticed she's missing fire occasionally."

Farther on. "Isn't the engine getting awfully hot?" says she.

"Yep," says he, "Queer, too. He said there was plenty of oil in it."

Farther on. 'Better put your lights on. It's getting dark."

"Can't," says he, "Tried it but the battery seems no good. Something wrong with ignition system."

Farther on. "Isn't that a road repair sign?" says she.

"Yes, we'll slow down, but it's strange. Fellow that sold us this car said road was clear."

"What do you mean 'us'?"

"Never mind," says he.

Farther on. "What did you stop for?" says she.

"I didn't stop. It's this car you bought that stopped. Carbureter stuck. Guess I'll fix it."

"Did you say 'This car I bought'?" says she.

"What difference who bought it," says he, "We have it, haven't we?"

Farther on. "Do you think we could sell this car if we wanted to?"

"I'll ask," says he.

Farther on. "Did the man say there was no market for these cars?"

"Worse than that," says he.

Farther on. "Can we get back if we turned around?" says she.

"No, it's too late to turn back."

Farther on. "I wish we hadn't come this road," says she. No answer.

BANG! CRASH!

Just this side of Hamilton. "We're in the ditch," says she.

"Good and plenty," says he.

"What's gone wrong?"

"Steering gear gave out. Ran into the ditch. Sudden stop busted propeller shaft. Engine caught fire. Get out, quick," says he.

On roadside. "Are you alright?"

"Sure, except for the $1,000 I paid for this car. I still have my health if that's what you mean."

"Well. that's what I meant."

"Why?"

"Well, we've got to get back to Toronto and start over."

"Yes," says he, "Via Dundas Road next time."

"Yes," says she, "and we're lucky."

"Why?"

"Because we won't lose our health worrying like a lot of people have because they had our experience," says she.

"Yes, we're lucky we're young," says he.

At breakfast next day he says, "'Well! that was a merry ride we had yesterday. But, after sleeping on it I think we are lucky. Of course, the car has gone. That's $1,000 to the bad. But I'll be surprised if the experience doesn't prove worth it. That Lake Shore road was too much like a race course. No downright achievement. Just a quick, lucky ride—if you arrive. Constant danger while riding and just a stroke of luck if you get there. I want to live, too, and that doesn't mean just sleeping, eating and worrying. I want to live life and do something."

"Yes," says she, "and when you arrive it wants to be because you won the game you played on the way and enjoyed it."

"Of course," he says, "and give something of what's in us for what we get. Pay for it. Out of ourselves. Not hurl ourselves over a short cut but project ourselves out on both sides as we go steadily, safely and surely forward."

"You've got it now," says Wife. Don't wait till you reach Hamilton.

"Sure I see it, O.K. I know where another thousand can be made. I must get going. But no racing car this time. No, sir! A little promise from Canada will be the next thing I throw my thousand into. One of those things with coupons on it. Dundas Highway style. Maybe Hamilton won't be so far on that road.

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* No pun intended, although obvious.

Port Royal Pulp Drives Logs

The first tow of pulpwood driven in the Saint John River from above Grand Falls to the mill of the Port Royal Pulp and Paper Company at Saint John consisted of 1,500 cords, towed by one of the company's boats. The total drive is in the neighborhood of 10,000 cords.

NEW 1932
DOMINION LOAN
Maturing Oct. 15, 1952
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METROPOLITAN BUILDING, TORONTO
MONTREAL OTTAWA LONDON HAMILTON

RESORTS—QUEBEC

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THEN
YOU NEED A REST

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VAL MORIN, QUE.

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The Royal Bank of Canada

SERVING CANADIAN BUSINESS FOR OVER SIXTY YEARS

The Week in Business

Increase in Employment Some Encouragement
World Conference Looms in Importance
Wheat Slump Restores Export Parity

CHILLY winds proclaim the approach of winter and unrest among unemployed in large cities not only in Canada but in other countries foreshadows the type of problem which threatens to loom very large in the next few months.

It is encouraging therefore that some improvement is currently indicated by the index of employment prepared by the Dominion Bureau of Statistics and measuring industrial employment conditions as at the beginning of October. Reports were received from 8,020 firms whose staffs aggregated 796,165 persons as compared with 790,967 in the preceding month. Employment usually falls off at this time of year which makes the figures even more interesting, although the picture is far from attractive when it is remembered that the Bureau index based on the average for the year 1926 as 100, now stands at but 86.7 as compared with 103.9 as at this time a year ago and 91.3 back in October, 1921, which was the previous low point since the compilation began.

Improvement was most notable in manufacturing particularly in vegetable food and textile factories. Logging, mining, transportation, highway construction and trade also made gains, some of which were seasonal.

* * *

AS TO the general outlook for business, indications point more and more to the belief and hope that the focal point on the economic and political horizon is the world economic conference which it is now felt will be held in London early in January and may subsequently be adjourned to Washington. Plans, however, are necessarily vague until Empire trade matters are disposed of by the House of Commons at London and until federal elections are decided in the United States. Opinion crystallizes that such a conference is of the very greatest importance and that it must not be long delayed, on the basis that is becoming increasingly dangerous to "drift" much longer. The two most imperative matters which must be attended to are quoted as (1) an accommodation on war debts and (2) some arrangement to terminate exchange restrictions and give greater freedom to commerce.

* * *

IN OUR own situation the only redeeming feature of the sharp slump in wheat prices was a renewed export demand which reduced our exportable surplus by at least 4,000,000 bushels in two days. This was the broadest buying movement in October and although it followed removal of the "peg" which caused a 3 cent slump in prices in 10 minutes, it is some consolation that it caused an apparent increase in European buying. Since Canada must market 100,000,000 bushels more crop this year than last, it is felt imperative that Canadian wheat remain on an export parity. In this respect the drop in prices restored an unsound situation which had caused interest in Canadian wheat to lag for a week or so.

The large surplus held in the United States is still a dark cloud over the market, but Canada has a very decided advantage over that wheat. The latest quotations show a difference of about two shillings per quarter between No. 2 American hard wheat and No. 2 Manitoba Northern, and this together with two shillings a quarter preference in the British market, would mean a selling advantage of 10 to 12 cents per bushel in sales to England, to the Canadian exporter. U. S. prices must go to a discount of 4 or 5 cents under ours or the Canadian dollar must go back to par in New York before they can compete with us in any market.

Business Conditions in Canada

RETAIL FIGURES IN ADVERTISING MOVE UPWARDS

September Gain Equals Average of Past Four Years

From Our Own Correspondent

MONTREAL.—A sharp improvement in volume of retail advertising in September is shown in figures prepared by Media Records, Inc. A summary of measurements in 52 cities shows that the retail classification gained nearly 12,000,000 lines over August of this year, which surpassed last year's seasonal advance of 9,000,000 lines and approximated the average seasonal advance for the last four years.

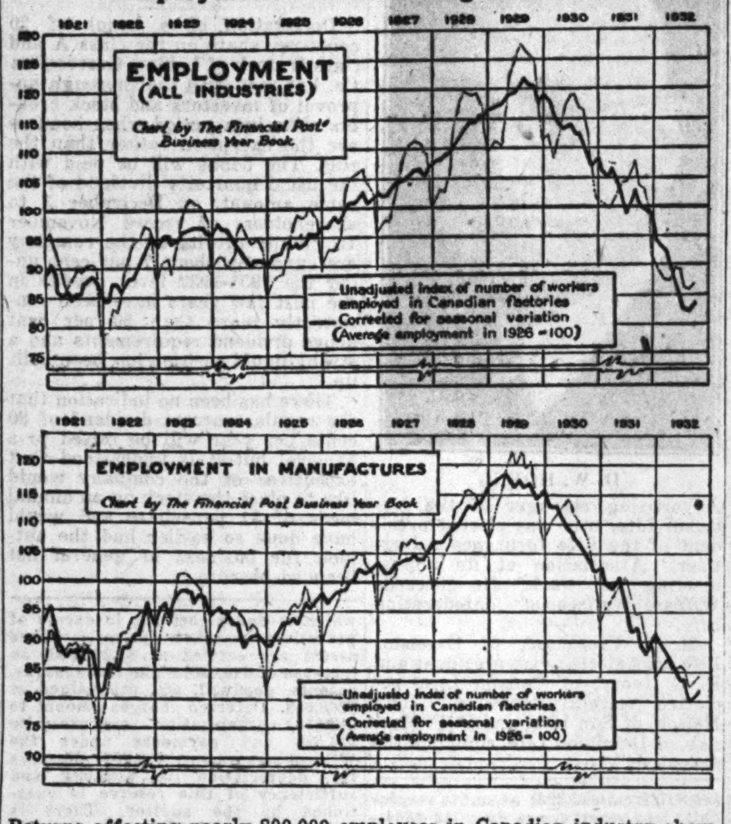
As a result the retail index, expressed in per cent of last year's retail linage, rose from 74.4 per cent in August to 82.1 per cent in September. Since the retail linage accounted for 53,708,305 lines of the total 93,002,658 in September, this advance was largely responsible for the gain in the index of total advertising from 74.3 per cent in August to 81 per cent in September.

Four Year Comparison

Retail advertising in September, Media Records points out, was 71.2 per cent of the four-year average for September, against an August per centage of 65.7. Classified made a fractional advance from 67.6 per cent in August to 68.1 in September. Total advertising on this basis made a percentage of 66.4 of the four-year average in September, against 64 per cent in August and 66 per cent in July.

General advertising, analysis shows, barely made any seasonal advance from August to September last year. This year there was a gain of more than 2,500,000 lines, though the average gain in the last four years was nearly 5,000,000 lines. Loss of more than a million lines in automotive advertising from August to September of this year about equals the average loss in the last four years. September financial lineage barely gained over that of August, a comparison which compares favorably with 1931.

Employment Statistics Register Gain



Returns affecting nearly 800,000 employees in Canadian industry show an improvement in employment in both general and manufacturing groups as at October 1, according to the Dominion Bureau of Statistics.

This increase was against the normal seasonal trend at this time of year as indicated by the dashed line in each chart. The comparative position of employment now and in 1921, the previous low point, is also shown.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Sonoco Products Co. of Hartsville, South Carolina, is planning to locate a Canadian branch factory in Brantford, Ont., according to an announcement made there last week. The company expects to take over the plant formerly tenanted by the Niagara Silk Co. and would employ at the outset 40 male employees. Final plans, according to the company's president, depend on assurance of the federal government that the company can ship its paper into Canada duty free.

The company manufactures accessories for textile firms, and is reported to have three large factories in the United States and one in Great Britain. If present plans mature the company plans eventually to erect its own paper mill alongside the Niagara Silk property. Products manufactured include paper cones, parallel tubes, spools and specialties and decision to enter Canada has come as a result of the Ottawa Conference treaty, it is stated. P. L. McCall will be local manager of the company. W. J. Westaway of Hamilton is the company's Canadian representative.

Post Index Co., manufacturers of card filing devices have arranged with Business Systems, Ltd., Toronto, and the Dominion Tool & Machine Co., Toronto, for fabrication of their visible record equipment in Canada. Post Index is a subsidiary of the Art Metal Construction Co. of Jamestown, N.Y.

Arrow Cable & Fittings Co. is a new Canadian company formed at Toronto by Arrow Conduit & Fittings Corp. of Brooklyn, N.Y., and A. L. Wynston, Jr., president of A. L. Wynston, Jr., Ltd., of Toronto. A factory building has been leased at 72 Bathurst St. Products to be manufactured include electric conduits, cables, etc. Mr. Wynston will be in charge of operations.

F. E. I. Corporation, of Pittsburgh, has leased quarters at 68 Lombard St., Toronto, for production of a line of toilet preparations. A Canadian company is being formed to carry on production in Canada. Mr. Harding of the parent company will have charge of the new Canadian undertaking.

OCTOBER BUILDING DROPS EIGHT P. C.

Contracts Awarded During Month 69.2 Per Cent of 1931 Figure

Total construction contracts awarded in Canada during October were eight per cent below the previous month and 69.2 per cent below the total awarded in the same month of 1931, according to MacLean Building Reports, Ltd. The total awards in October, 1932, amounted to $8,875,600 compared with $28,789,200 in October, 1931, and $9,646,500 in September, 1932.

Permits awarded for residential construction, at $2,663,400, 30 per cent of the total, showed an increase in October over the September figure of $2,276,900, but contracts for all other groups showed declines. Forty-five per cent of the total, $3,990,900, was for engineering work, 23.1 per cent, or $2,045,700, was for business buildings, and industrial construction accounted for 1.9 per cent, or $175,600. The latter figure is the lowest for the year in industrial construction.

Total contracts awarded for the first ten months of 1932 totalled $118,511,900 as compared with $279,582,500 in 1931, a decline of 57.6 per cent. Totals for the same periods of 1930 and 1929 were $393,146,800 and $498,727,500 respectively.

Price trends of building materials have declined from an index of 100 in September, 1929, and 99 in October, 1929, to 76 in September, 1932, taking 1926 equal 100 as the basic index number. This decline in prices of materials would, of course, account for part of the reduced dollar value of contracts awarded. The construction materials index for September, 1929, was 100, for September, 1930, 87; for September, 1931, 81; and for September, 1932, 76.

Of the total contracts awarded during October, Quebec accounted for $4,859,300, being 54.8 per cent; Ontario for $2,722,100, or 30.7 per cent; the Prairie Provinces, $627,900, or 7.1 per cent; the Maritime Provinces, $507,500, or 5.7 per cent, and British Columbia only $158,800, or 1.7 per cent.

The chief awards in October were $1,153,725 for installation of trunk water mains in Montreal, and $739,720 for furnishing and installation of electrical apparatus for the same city.

Business Briefs

Failures under the Bankruptcy Act as disclosed by The Canada Gazette, for the week ending October 22, 1932, show a decrease of five, figures being 1932, 41, and 1931, 46. Figures for the whole period of the year up to October 22, 1932, are: 1932, 1.758 and 1931, 1,678, an increase of 80 or 4.7 per cent.

Coke Production in Canada during September, usually a low month, amounted to 126,639 tons, or 4.7 per cent more than the 120,936 tons of August and compares with 125,609 tons in September, 1931.

Average Value of the pound sterling declared by the department for special duty purposes is $3.72, effective for entries during the period Nov. 1 to 15, 1932, inclusive.

Car Loadings for the week ended October 22 amounted to 49,875 cars. This was an increase over the previous week, which contained a holiday, but was less than the usual seasonal increase and the D. B. S. index number dropped from 67.36 to 64.22.

Deliveries of Wheat to the western country elevators and platform loadings for the week ending October amounted to 26,341,535 bushels compared with 17,751,512 in the present week. During the corresponding week in 1931, 18,188,510 bushels were marketed.

Stocks of Canadian Wheat in Canada and the United States on October 21 amounted to 229,317,996 bushels compared with 222,267,357 a week ago. For the same week in 1931, 153,850,824 bushels were reported in store.

Commodity Prices

Current Prices at Wholesale‡
(N.Y. unless otherwise stated)

	Week ending Oct. 29	Previous week	Last year
Cattle (cwt.) (Toronto)	$4.65	$5.00	$5.75
Copper, lb.	.0525	.0550	.07
Cotton, lb.	.0620	.0645	.0670
Rubber, lb.	.0359	.0350	.0455
Silk, lb.	1.67½	1.70	2.20
Sugar, raw, lb.	.0304	.0312	.0340
Wheat (Man.) bu.	.46⅝	.49⅜	.70⅝
Hides, lb.	.06½	.06½	.08
Coffee, lb.	.08⅝	.08¾	.05¾

Weekly Indices*

N. Y. Annalist	89.6	90.6	100.6
Fisher's	60.6	61.1	†72.6
N. Y. Journal of Comm.	57.1	58.5	64.8
Crumps (Brit.)	62.5	62.7	†64.9

*N. Y. Annalist base, 1913, others 1926.
†Average 1931.

Monthly Indices

	Latest	Prev. month	Last year
Canada (D.B.S.) w'sale (Sept.)	66.9	66.8	69.8
Retail (Sept.)	81.3	81.5	89.6
U. S. Labor (Sept.)	65.3	65.2	71.2
Gt. Brit. (Sept.)	68.9	67.2	67.0

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese 13-15. New York; sugar—96 degree centrifugal c/f. New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot. New York.

OCTOBER DATA SHOWS INCREASE IN EMPLOYMENT

Three Cities Contribute as Manufacturing Gains Ground

An encouraging upturn in employment in Canada is seen in figures published last week by the Dominion Bureau of Statistics and covering conditions in Canada as at October 1. After adjustment for seasonal tendencies both the general index for all industries and the manufacturing employment index showed considerable improvement over the low point of last August, and recorded further gains over the slight gain of September 1.

The index covers returns from 8,020 firms, whose staffs aggregated 796,165 persons, as compared with 790,867 in the preceding month.

Usually Falls Off

As employment has frequently shown a falling off on October 1 in the eleven years of the record, the increase this year is unusually interesting. Activity, however, continued at a low level as compared with previous years for which statistics are available. The index stood at 86.7 on October 1, compared with 86 on September 1 and 103.9 on October 1 last year and 91.3 on October 1, 1921, the previous low point since the index was first compiled.

The most pronounced gains since September 1 were in manufacturing, notably in vegetable food and textile factories. In the latter the increase was the second largest on record for October 1. Improvement was also indicated in logging, mining, transportation, highway construction and trade. In some of these industries the increases were seasonal in character. On the other hand, communications, building construction and services reported reduced activity.

Firms in the Maritime Provinces and British Columbia showed decreases but in Quebec, Ontario and the Prairie Provinces the trend was upward, the largest advance taking place in the Prairie area.

The trend of employment was downward in Quebec City, Ottawa, Windsor and the adjacent Border Cities and Vancouver, but upward in Montreal, Toronto and Hamilton, while in Winnipeg practically no general change took place.

Montreal.—There was a large increase in employment in Montreal, where the 1,099 co-operating firms employed 129,773 persons, or 2,359 more than on Sept. 1. Manufacturing showed the greatest gain, but there was also improvement in transportation and construction; within the manufacturing group, textile, vegetable food and tobacco and beverage factories reported considerable improvement, while iron and steel and some other groups released employees. General curtailment had been noted on the corresponding date of last year, but employment was then in greater volume.

Quebec.—Activity in Quebec decreased at the beginning of October, 738 workers having been laid off since Sept. 1 by the 149 employers whose returns were compiled, and who had 12,521 on their pay lists on the date under review. There were seasonal losses in services and construction, and manufactures were also slacker. The index was lower than at the beginning of October, 1931, when an increase had been reported.

Toronto.—Expansion was indicated in Toronto, according to 1,206 firms employing 111,564 persons, compared with 109,471 in their last report. Manufacturing (particularly of textile, electrical apparatus and vegetable food products) was much busier, and trade also absorbed more workers. Smaller additions to staffs had been reported on Oct. 1 of a year ago, but employment was then generally more active.

Ottawa.—Construction was not so active, while other groups showed comparatively little change. The forces of the 155 employers furnishing data aggregated 11,988 workers, or 498 fewer than on Sept. 1. The index of employment was lower than on the same date in 1931, when gains had been indicated.

Hamilton.—An increase was registered in manufacturing, largely in textile factories. The non-manufacturing industries, however, showed little general change. Statements were tabulated from 234 firms with 24,308 employees, compared with 24,212 in the preceding month. The index number at the beginning of October of last year was higher; the employment trend then was also upward.

Windsor and the Adjacent Border Cities.—There was a decrease in the number employed in the Border Cities, mainly occurring in the automobile trades. One hundred and thirty-five establishments recorded 7,492 employees, as against 9,203 on Sept. 1.

Winnipeg.—Little general change was shown in Winnipeg on Oct. 1, when the 389 co-operating firms employed 35,206 workers, or practically the same number as at the beginning of September. Manufacturing and trade were slightly more active; transportation released some employees, while the fluctuations in other industries were small.

Vancouver.—There was a small loss in employment in Vancouver, according to 339 employers with 27,368 persons on their payrolls, compared with 27,466 on Sept. 1. Manufacturing reported a slight decline, and there was also a falling-off in transportation; construction, however, showed improvement, and trade was rather brisker. A large reduction had been recorded on Oct. 1, 1931, but the index then stood at 99.7, as compared with 88.5 at the beginning of October of this year.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	Weekly Latest 1931	Cumulative Jan. 1 to date 1932	Cumulative Jan. 1 to date 1931
Transportation—				
Car loadings (Oct. 22)	49,875	56,129	1,773,765	2,059,326
C.P.R. gross earn. (Oct. 21)	$ 2,774,000	$ 3,173,000	$ 99,853,000	$ 116,839,000
C.N.R. gross earn. (Oct. 21)	$ 3,258,697	$ 3,921,853	$ 117,004,260	$ 142,746,230
	Monthly			
C.P.R. net earn. (Sept.)	$ 3,722,576	$ 3,099,854	$ 10,531,370	$ 12,792,166
C.N.R. net earn. (Sept.)	$ 2,828,833	$ 1,387,081	$ 6,200,117	$ 3,565,770
Iron and Steel—				
Pig iron, tons (Sept.)	5,709	17,585	96,219	380,322
Steel, tons (Sept.)	23,139	33,390	257,843	582,855
Automobiles prod. No. (Sept.)	2,342	2,646	53,550	77,495
" exports, No. (Sept.)	1,717	787	7,942	13,044
Construction—				
Building Permits (Sept.)	$ 2,203,230	$ 10,407,999	$ 32,340,749	$ 88,602,995
Contracts (October)	$ 8,875,600	$ 28,789,200	$ 118,510,400	$ 279,582,500
Newsprint—				
Production, tons (Sept.)	150,691	178,412	1,451,168	1,687,758
Exports, tons (Sept.)	119,277	161,170	1,337,263	1,504,222
Sugar—				
Imports, raw, lbs. (Aug.)	98,885,200	98,401,300	520,013,000	540,008,000
Melt. & ship., lbs.*	82,116,218	88,920,024	569,162,759	603,009,163
Manufactured, lbs.	81,916,973	89,406,199	550,000,815	578,124,071
Flour—				
Production, bbls. (Aug.)	1,272,009	1,333,287	8,406,423	9,301,068
Wheat flour exp., bbls. (Sept.)	385,113	556,565	3,534,100	4,210,968
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Sept.)	35.45	86.86	534.96	781.64
Boots & shoes, pr. (Aug.)	1,768,359	1,627,006	12,217,428	12,062,805
Petroleum, imp. crude, gal. (September)	76,913,048	96,534,568	721,878,603	765,072,912
Cotton, imp., raw, lbs. (September)	4,553,000	4,999,000	61,132,000	60,334,000
Rubber, raw, imp., lbs. (Sept.)	6,204,026	3,438,177	38,473,961	44,819,185
Coal, imports, tons (Sept.)	1,296,274	1,484,059	7,939,816	9,583,374
Gasoline sales, gals., (Apr.)	35,377,000	39,215,000	114,925,000	118,810,000
Trade—				
Imports (September)	$ 34,504,129	$ 45,379,099	$ 348,789,473	$ 494,965,007
Exports (September)	$ 42,186,815	$ 48,991,385	$ 348,729,930	$ 439,055,660
Wheat exports, bus. (Sept.)	26,874,237	14,335,637	132,990,365	126,192,271
Labor—				
Employment Index (Oct.)	86.7	103.9	....	....
Electric Power—Output—				
M. Kilowatt hours (Sept.)	1,279,136	1,288,413	11,613,427	12,107,854
Finance—				
Failures, No. (August)	188	155	1,588	1,416
Failures, Liabilities (Aug.)	$ 2,825,097	$ 2,350,094	$ 27,023,387	$ 27,715,048
Bank debits† (Sept.)	$ 2,097,981	$ 2,450,545	$ 18,926,189	$ 23,519,655
Bond sales (Sept.)	$ 73,141,747	$ 50,982,400	$ 271,536,603	$ 386,855,250
Insurance sales (Sept.)	$ 25,207,000	$ 30,066,000	$ 306,579,000	$ 367,283,000
Automobile Financing:				
Used cars (August)	$ 1,158,530	$ 1,488,373	$ 9,844,988	$ 16,191,101
New cars (August)	$ 1,022,043	$ 1,418,134	$ 10,067,558	$ 16,501,528

*Four weeks' period, Aug. 20 to Sept. 10.
†(000's omitted).

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4% Loan, 1932
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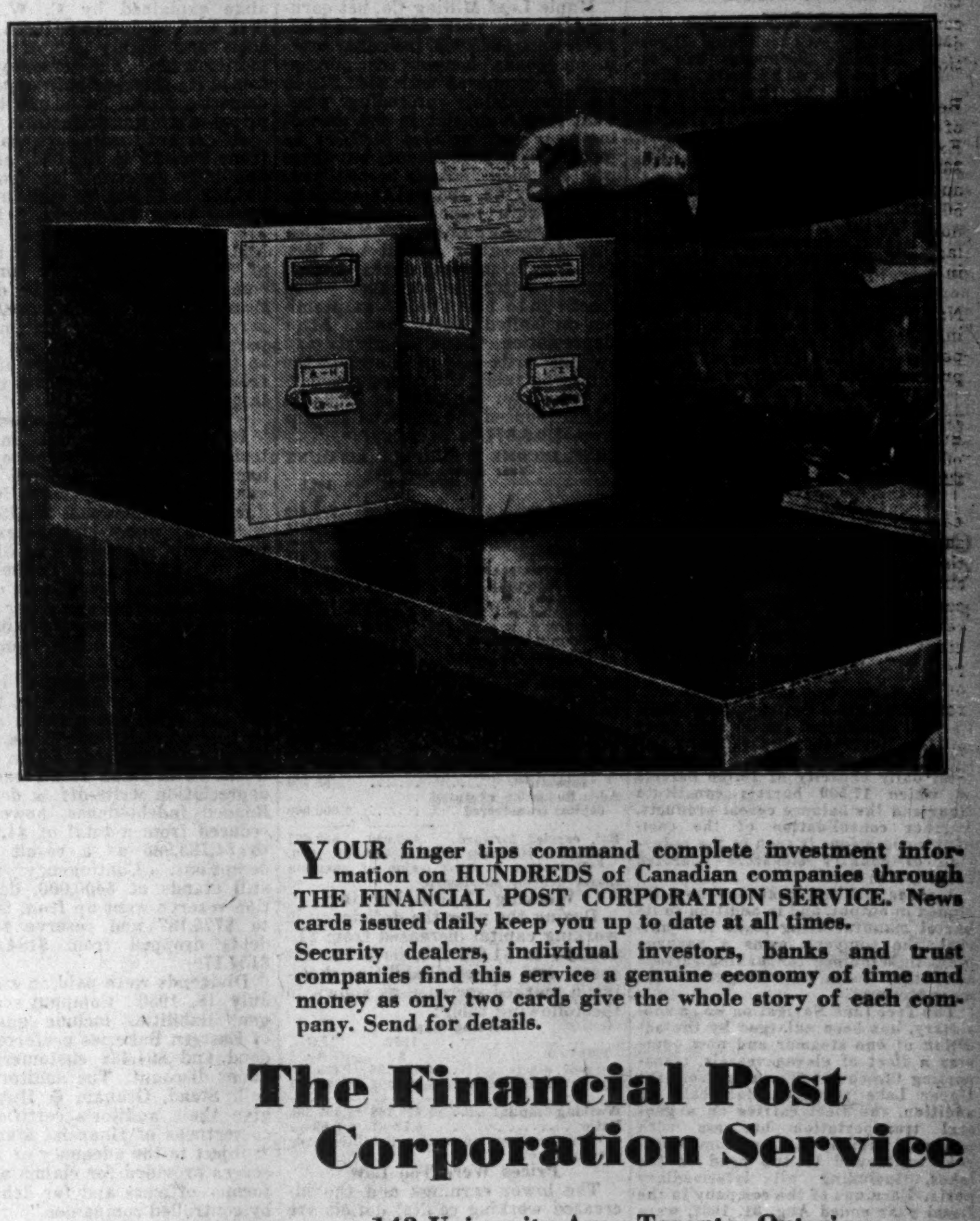

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LAURA SECORD EARNINGS SHOW $4.89 PER SHARE

Surplus Increased to $945,506; Working Capital Stronger

UNIT VOLUME UP

Investments at Book Value Shown at $1,348,705; Current Liabilities Negligible; Taxes Higher

Increase in patronage and unit volume of sales is reported for Laura Secord Candy Shops Ltd. in the year ended Sept. 30, 1932, and while dollar volume of sales is understood to have shown a slight decline, due to the reduced prices in effect throughout the past year, this company earned $4.89 per share on the 57,500 shares of no par value common stock outstanding as compared with $5.22 per share in 1931 and $6.56 in 1930. Through economies and lower prices of materials, production costs have been reduced without reduction in salaries and wages but earnings have been affected by increased taxation.

The surplus account of the company is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended September 30

	1932 $	1931 $
Gross sales	....	1,861,511
Net profit†	281,261	300,037
Less: Pref. divds.	....	29
Common divds.	172,500	172,484
Surplus for year	108,761	127,524
Add: Prev. surplus	836,744	788,427
Less: Invest. res.	....	79,207
Balance forward	945,505	836,744

†After operating expenses and provisions for depreciation, income taxes.

Substantial improvement is shown in a notably strong working capital position. Current assets amount to $1,505,581 without including investment in the preferred shares of Fanny Farmer Candy shops which, at $48,875, are carried well under market value. Current liabilities amount to only $42,000 of which $41,000 is reserve for Federal income taxes. Included in current assets is cash amounting to $76,227, inventories of $80,649 and government, municipal and public utility bonds at book value of $1,348,705. The company has always followed a conservative policy with regard to investments and book value of investments is understood to be well under market value. In 1931, the company provided $79,207 for depreciation in market value of securities and recovery of bond prices during recent months will have added the greater part of this amount to the value of investments. Working capital position is as follows:

Working Capital

	1932 $	1931 $
Current assets	1,505,581	1,387,411
Current liabilities	43,025	48,101
Working capital	1,462,556	1,339,310
Ratio	34.99—1	28.84—1

Fixed assets are carried at $321,484, after deduction of $404,073 as reserve for depreciation. This latter figure shows an increase of $33,890 during the past year. Mortgages receivable are shown at $6,793; prepaid and deferred charges at $10,261 and goodwill at $1. Mortgage payable remains at $1,025.

The 57,500 shares of no par value common are carried at $904.464 and surplus carried forward is $945,506.

INVESTMENT TRUST DECLARES DIVIDEND

Cons. Diversified Standard Securities Pays 25 Cents on Preferred

From Our Own Correspondent

MONTREAL — Consolidated Diversified Standard Securities has declared a dividend of 25 cents a share on the outstanding first preference shares payable Dec. 1, to shareholders of record Nov. 1. Dividends accruing on fully paid shares not yet registered in the company's stock records will be set aside and paid when registration shall have been completed.

Consolidated Diversified is a merger of the three Diversified Standard Securities investment trusts, which were brought together early this year. The new first preference stock is non-accumulative and is preferred as to dividends at the rate of $2.50 a share. The stock was issued in exchange for old preferred shares of the three predecessor companies.

Consolidated Diversified has outstanding 51,534 preferred shares; 153,978 no par shares of class "A" stock and 112,500 of class "B" stock no par value.

Declaration of a dividend marks the first payment to be made on securities of the companies in the Fairhall group since October, 1930.

OGILVIE DISMANTLES GLENORA FLOUR MILL

Further Consolidation Seen in Closure of Line Elevators

From Our Own Correspondent

MONTREAL — Ogilvie Flour Mills Co. has dismantled its Glenora flour mill in Montreal, thus reducing the total mills operated to eight, with a total daily capacity of 19,750 barrels of which 17,500 barrels constitute flour and the balance cereal products. Further consolidation of the company's operations is seen in the reduction of country elevators operated from 175 to 154.

Linseed oil and cake are now included in output, and in addition to its barrel manufacturing plant in Montreal, the company owns a package plant in Winnipeg for making cartons and other containers. Bags are not manufactured.

The Tree Line Navigation Co., a subsidiary, has been enlarged by the addition of one steamer and now operates a fleet of eleven vessels, transporting the company's grain from the Upper Lake ports to Montreal. In addition, the fleet carries on a general transportation business with packaged freight service from Montreal westbound to the head of the lakes, including all intermediary ports. Earnings of the company in the fiscal year ended Aug. 31, 1932, were just sufficient to cover common dividends, being equal to $8.07 a share on the common stock compared with disbursements of $8. No extras were paid during the year; the last to be distributed was in 1930 when a bonus of $5 a share was declared in addition to the regular dividend.

Woods Mfg. to Issue New Stock Certificates

From Our Own Correspondent

MONTREAL. — Shareholders of Woods Manufacturing Co. have received a circular letter advising them that in consequence of the conversion of common shares into shares of no par value and the reduction of capital stock authorized by shareholders in February, it is necessary to issue new certificates for the preferred and common shares. These certificates are now ready for issue and on and after November 5, 1932, certificates presently outstanding may be exchanged.

The change in structure follows decision to reduce value placed against goodwill from $1,673,941 to $1 through the alteration of the par value of common stock from $100 to no par value. There are outstanding 17,106 common shares and $1,528,300 of preferred stock.

Low Price For Tobacco Causes Gloom in Norfolk

Market Opens at 24 Cents and Slips Back Rapidly—British Not Yet Buying—Outlook Poor For Growers

Gloom hangs over the tobacco growing industry in Norfolk, Elgin and Oxford counties as raw tobacco prices hover at the lowest figure since the "new belt" came into active production a few years ago.

The tobacco "market" opened last Wednesday morning at a "top" price of 24 cents a pound. It slid back rapidly as growers became worried and by Saturday noon it was reported that tobacco was being purchased as low as 16 cents a pound. During the middle of the week a level of between 17 and 18 cents a pound prevailed but so far very little tobacco has been bought and only a very few crops were purchased at the opening levels. Early this week it was estimated to The Financial Post that only between 10 and 15 per cent of a 20,000,000 lb. crop had been sold and that growers are still fearful of what may happen to the market before the crop is disposed of.

British Buyers Hold Back

As usual Imperial Tobacco, the big buyer of the district came into the market first with its 24 cent offer. Imperial usually buys about 70 per cent of the crop and as was expected, other buyers held back until they saw what Imperial would offer. Two other buyers are now in the market but British buyers which last year took between 8,000,000 and 9,000,000 lbs. of Canadian tobacco, have as yet refrained from buying and are undoubtedly waiting to see at about what level the price settles, before they enter.

Comparison of this year's prices with those of previous years will show clearly why growers are disappointed. In 1929 and 1930 the average price received by farmers was 29 and 32 cents per pound, respectively. Last year the market opened at 30 cents a pound and slipped away back due largely to unsettlement as a result of the British abandonment of the gold standard. The average price for the year settled at 20.8 cents per pound.

Average Will be Low

This year the market has been open only a week and already prices have dropped to around the 16 or 17 cents level. There is a strong belief borne of bitter experience that prices to tobacco growers may fall but they seldom if ever rise, once the market opens. If this is true and but 15 per cent of the crop is sold as yet, it looks as if an average price for the year of even as low as 15 cents, is not an impossibility. Such a price it is felt would be ruinous to the industry and already demands for government intervention to force "orderly" buying are being heard.

One plan which was used with some success last year and which may develop on a large scale this year is for growers to organize and have their crop sorted and processed so it will not need to be sold but can be held off the market in the hope that price levels will improve. Tobacco in the barns will deteriorate after about two or three months and most tobacco has already been in the barns for six weeks. Once it is sorted and processed, however, it improves with age, and in fact little or no tobacco is used until it has matured for two or three years.

On the buyers side of the picture is the claim that growers were warned last year by Imperial Tobacco that that company would not be in the market for very much tobacco this year and advised that acreage be cut from 20 to 25 per cent. This warning was not heeded, however, and last year's acreage was actually greater than a year ago although total crop will not be quite so great. Ordinarily Imperial is said to be in the market for about 8,000,000 lbs. but it is claimed that as last year heavy purchases were made amounting to about 12,000,000 lbs., the company has need for very little tobacco and may perhaps not purchase more than 4,000,000 lbs. which would leave a large proportion of a 20,000,000 lb. crop unsold.

Added cause for concern among the growers is the fact that this year's crop is admittedly from the viewpoint of quality, the finest ever harvested in Canada and ranks with the finest flue-cured crop on the continent. Its quality and uniformity have also been improved by the fact that it has been "primed" this year instead of cut. Priming is a special method of harvesting which entails considerable extra labor at time of harvest but which greatly improves both the average quality and uniformity of the yield.

British Market Improves For Empire Tobaccos

Great Britain's importation of unmanufactured tobacco from the United States continues to decrease and from the British Empire countries to increase.

During the nine months ending September the imports from foreign countries amounted to 68,596,654 pounds, of which 67,116,305 pounds was received from the United States. The amount from Empire countries was 35,979,723 pounds, of which 11,004,082 pounds was received from Nyasaland, 8,937,337 from Canada, 7,749,878 from British India and 6,357,601 from Southern Rhodesia.

The British imports of unmanufactured tobacco from India have decreased, but from other Empire countries have increased considerably. In two years the nine months' imports from Canada have grown from 3,586,596 pounds to 8,937,337, and Rhodesia's contribution has trebled.

Illustrating the changed aspect of that trade the imports from foreign countries in the first nine months of 1930 totalled 97,717,996 pounds, of which 94,670,235 was from the United States, while the total imports from Empire countries were only 27,534,007 pounds.

Maple Leaf Earnings Reflected Bad Year

Earnings Insufficient to Pay Bond Interest and Premium on U. S. Money — Working Capital Weaker But Company Maintained Relative Importance in Industry

Maple Leaf Milling Co. net earnings in the year ended July 31, 1932, were $265,863, including profit on bonds bought for sinking fund as compared with $741,571 in the immediately preceding year. That larger amount in the preceding year had included $117,084 as income from investments but there was no such income in the year ended July 31, 1932. The earnings shown were almost sufficient to look after normal bond interest before depreciation had it not been for the premium on the United States dollar in Canada which forced it to pay $36,504 as premium on United States funds. After depreciation, bond interest and various write-offs as shown in the following table, the company showed a loss for the year of $230,587, which reduced the previous surplus from $639,677 to $409,090:

CONS. INCOME & SURPLUS ACCOUNT
Year Ended July 31

	1932 $	1931 $
Earn. from oper.	265,863	624,487
Inc. from invests.	....	117,084
Net earnings	265,863	741,571
Less: Depreciation	163,109	262,444
Bond interest	266,837	275,699
Prem. on U.S. funds	36,504	....
Extension exp. w/o	10,000	25,000
Bond exp. w/o	10,000	10,000
W/o mill stores & supplies	10,000	25,000
Net profit	*230,587	143,428
Add: Prev. surplus	639,677	103,886
Less: Adjustment	....	†138,917
Approp. for conting.	....	200,000
W/o goodwill	....	100,000
W/o leases & contr.	....	100,000
Com. shs. held by subsids.**	....	68,720
Add: Reduction in stated capital transferred	....	1,000,000
Bal. carried forward	409,090	639,677

*Loss. †Charges prior to July 31, 1930.
**Reduction in book value of common shares held by subsidiaries.

Working Capital Lacking

During the year the deficiency in working capital increased from $1,499,293 to $1,679,188, both current assets and current liabilities showing a marked increase as shown in the following table:

Working Capital

	1932 $	1931 $
Current assets	4,501,108	3,400,424
Current liabilities	6,180,296	4,899,717
Working capital	*1,679,188	*1,499,293
Ratio	0.72—1	0.69—1

*Denotes excess of current liabilities over current assets.

Prices Were Too Low

The lower earnings and the increased working capital deficit are alike explained by C. W. Band, president, as due to reduced export sales and highly competitive domestic trade. The company maintained its share of both export and domestic trade, he added, but the prices were unsatisfactory.

Of current assets cash was down from $90,422 to $85,074, accounts and bills receivable up from $1,808,142 to $1,904,461 and inventories up from $1,501,760 to $2,511,573. Receivables included a general amount of $943,068, an amount of $420,521 credited to controlled companies and $540,872 due by former officers, less amounts reserved. This latter amount compares with $539,515 a year earlier so that hopes of recovery of losses from this source were not realized last year.

Bank Loans Increased

In view of the increase in inventories it was not a surprise to see bankers' advances secured by inventories and receivables increase during the year from $2,579,118 to $3,841,619 which is still less than the amount shown on July 31, 1930, to wit, $3,925,267. Bankers' advances secured by shares of controlled companies and other investments still stand at $2,000,000, and accounts payable are up from $275,891 to $338,678.

Investment in shares of controlled companies is shown at $1,970,902 and other investments and securities at $261,750. These figures show small change. Little change is shown in fixed assets except as depreciation write-off is deducted. Bonded indebtedness, however, is reduced from a total of $4,904,100 to $4,785,985 as a result of redemptions. Contingency reserve still stands at $400,000, depreciation reserve went up from $612,077 to $775,187 and reserve for bad debts dropped from $184,921 to $154.172.

Dividends were paid on stocks to July 18, 1930. Company's contingent liabilities include guarantee of Eastern Bakeries preferred dividend and $94,438 customers' bills under discount. The auditors, Riddell, Stead, Graham & Hutchison, give their auditor's certificate to correctness of financial statement "subject to the adequacy of the reserves provided for claims against former officers and for debts due by controlled companies."

Build Vegetable Oil Plant

Work will be started within the next few weeks on the first unit of a plant being erected on Burrard Inlet by Canadian Vegetable Oils Ltd. at a cost of $45,000. The factory will produce crude vegetable oils and sacked oil meals from soy beans, peanuts and copra. The Canadian market uses approximately $4,000,000 worth of these commodities annually, the principal buyers being soap companies and edible oil manufacturers.

BLUE RIBBON EARNINGS DOWN BANK LOAN LESS

Full Preferred Dividend Not Covered; Willard Deal Cost $19,302

Reduced earnings are reported for Blue Ribbon Corp. in the year ended June 30, 1932, and the common stock earned nothing if provision had been made for full preferred dividend. This compares with $1.81 per share of common in 1931. Operating profit declined to $128,312 from $265,929. Deduction for depreciation remained the same as in 1930, and smaller deduction for income tax largely offset by $10,000 write-off on stocks and bonds of customer companies. Net profit of $79,521 barely covered preferred dividends paid of $74,265. No statement as to operations of the company accompanies the balance sheet and income account. Under the option agreement to purchase Willards Chocolates Ltd., the company has paid out $19,302 of which $15,405 was on the guarantee of the Willard preference dividends.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended June 30

	1932 $	1931 $
Operating profit	128,312	265,929
Less: Depreciation	30,000	30,000
Income tax	8,791	†19,660
W/o stocks & bonds customer cos.	10,000	....
Organ. exp. w/o	....	6,000
Net profit	79,521	210,269
Less appropriations:		
Preferred divds.	75,587	95,147
Common divds.	74,265	97,104
Surplus for year	*70,331	18,018
Add: Previous surp.	139,993	121,533
Less: Inc. tax (prior year)	27,321	....
Add: Adjust. re min. int.	....	442
Bal. carried forward	42,341	‡139,993

*Deficit. ‡Subject to income tax.
†Prior year.

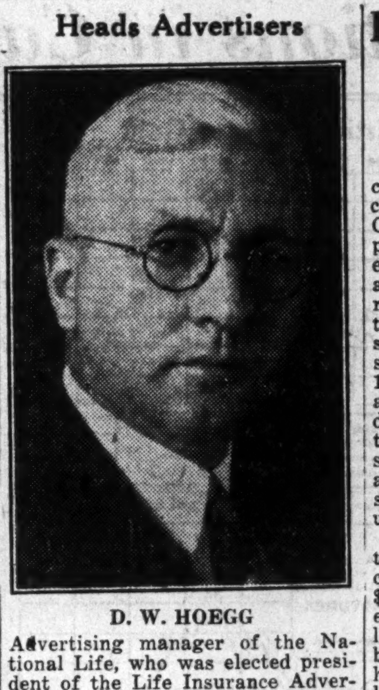
Reduction is shown in both current assets and current liabilities and while working capital is smaller the ratio of current assets to current liabilities is higher. Cash is up to $45,837 from $42,393; accounts receivable, less reserve, are down to $304,345 from $434,126 and inventories are down to $700,514 from $892,175. Bank advances have been reduced to $147,592 from $253,607 and payables are down to $82,041 from $173,283.

Working Capital

	1932 $	1931 $
Current assets	1,058,774	1,381,851
Current liabilities	229,633	428,840
Working capital	829,141	953,011
Ratio	4.61—1	3.22—1

Stocks and bonds of customer companies are carried at $70,841 which is under cost but in excess of prevailing market prices. Fixed assets are carried at $1,243,068, an increase of $40,000, while trade marks, patents, goodwill, etc. are valued at $268,638. Deferred charges amount to $13,614, organization expenses to $14,588 and payments under the Willard agreement, $19,302. Reserve for depreciation is $138,034 and sufficiency of this reserve is questioned by the auditor. There is 28,795 shares of $50 par value 6½ per cent preferred stock outstanding, 65 shares having been retired in the year; and 63,475 shares of no par value common.

Heads Advertisers



D. W. HOEGG

Advertising manager of the National Life, who was elected president of the Life Insurance Advertisers' Association at its annual meeting last week. He succeeds William Wallace, of Confederation Life.

M. S. Crockford, of Excelsior Life, was elected vice-president and F. G. Ivory, of Canada Life, reelected secretary-treasurer. John Nelson, of Sun Life, and F. F. Macnab, of Dominion Life, complete the executive.

Loblaw Bonus May Presage Higher Rate

Declaration of a bonus of 20 cents per share on the class A and class B stock of Loblaw Groceterias Co. has met with the thorough approval of investors and stock brokers alike in a period when bonuses are the exception rather than the rule. The bonus will be paid with the usual quarterly dividend of the same amount, on December 1 to shareholders of record November 12. While profits of the company are currently about 7 per cent under the 1931-1932 level, profits in the past few years have been consistently more than 50 per cent above dividend requirements and a strong liquid position has been built up.

There has been no indication that the regular current dividend of 80 cents per year will be raised to a $1 level but it is understood that executives of the company would like to place the stock on an annual basis of $1 per share and would have done so earlier had the outlook for business in general not been so obscure.

Appraise Rapid Freezing Process

Tests carried out by the Fisheries Experimental Station at Halifax during the past six months have demonstrated the value of rapid freezing methods of preserving fish, it is reported.

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Sherwin-Williams Meet Adjourned to November 22

From Our Own Correspondent

MONTREAL—Annual general meeting of shareholders of Sherwin-Williams Co. of Canada will be convened on Nov. 15 but will be adjourned to Nov. 22 when the agenda will be placed before shareholders. The company's fiscal year ended Aug. 30.

Improve Apple Handling Apparatus

To perfect the handling of apples in warehouses, several Annapolis Valley shippers have installed apple polishers. The new machine consists of an attachment to the grader, which effectively cleans and polishes the fruit by means of a series of rotating brushes, as the apples pass along into the grader.

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$80,000,000
Dominion of Canada 4% Bonds

Bearing interest from 15th October, 1932, and offered in two maturities, as follows:

$25,000,000— 3 YEAR 4% BONDS, DUE 15th OCTOBER, 1935
$55,000,000—20 YEAR 4% BONDS, DUE 15th OCTOBER, 1952

Subject to redemption at par and interest on or after 15th October, 1947

Principal payable without charge, in lawful money of Canada, at the office of the Minister of Finance and Receiver General of Canada at Ottawa or at the office of the Assistant Receiver General at Halifax, Saint John, Charlottetown, Montreal, Toronto, Winnipeg, Regina, Calgary and Victoria.

Interest payable half-yearly, 15th April and 15th October, in lawful money of Canada, without charge, at any branch in Canada of any Chartered Bank.

Denominations:

3 YEAR BONDS, $1,000
20 YEAR BONDS, $500 AND $1,000

The proceeds of this Loan will be used to retire $34,449,950 of bonds maturing 1st November, 1932, and to provide for the general purposes of the Government and the Canadian National Railways.

The Loan is authorized under Act of the Parliament of Canada, and both principal and interest are a charge on the Consolidated Revenue Fund of Canada.

The amount of this issue is $80,000,000. The Minister of Finance, however, reserves the right to allot or reject the whole or any part of subscriptions received, provided such allotments do not increase the principal amount of the issue by more than $25,000,000.

Applications will not be valid on forms other than those printed by the King's Printer.

ISSUE PRICE: 3 Year Bonds, 99.20 and interest, yielding to maturity 4.28%
20 Year Bonds, 93.45 and interest, yielding to maturity 4.50%

Payment to be made in full at time of application or in the case of the 3-year bonds, on allotment.

Subscription lists will open on 31st October, 1932, and will close on or before 16th November, 1932, with or without notice, at the discretion of the Minister of Finance. Subscriptions will be received by any branch in Canada of any chartered bank and by recognized dealers from whom official application forms may be obtained.

DEPARTMENT OF FINANCE,
Ottawa, 31st October, 1932

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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Western Agriculture Faces Greatest Crisis But Hopes for Best

Questions of Great Import Face Wheat Grower as He Considers Present Distressful Conditions Due to Low Price of Wheat

LAST 25 YEARS HAS BROUGHT MATURITY

Two Provinces That Were Still in Their Infancy in 1907 Have Stepped Into Front Rank of World's Great Agricultural Areas But Are Now Suffering from World Depression

By Our Western Editor

The twenty-five years history of The Financial Post cover the period of great expansion in western agriculture, a period destined to make that agriculture not only one of the most important factors in Canadian business, but also a great factor in the trade of the world. That expansion was wheat for its foundation, and wheat, not for Canadian consumption, but for countries overseas, and the most important figures which relate to it are to be found in figures for annual production and for annual export.

Growth of Wheat Output

Twenty-five years ago western farming was conducted on a scale which only one had succeded in growing as much as one hundred million bushels of wheat. Four years ago that production passed five hundred million bushels, a mark which may again be reached in any year in which weather conditions are particularly favorable.

Twenty-five years ago Canada was accustomed to contribute to the export trade of the world about fifty million bushels of wheat and flour annually. Four years ago exports exceeded four hundred million bushels. An annual export of two hundred million bushels is now looked upon as calamitously low, and the business of growing wheat is conducted on a scale that contemplates annual exports of at least three hundred million bushels.

Twenty-five years ago Canada was trickling into world trade something less than a tenth of all the wheat and flour passing between different countries. In recent months more than half of all such wheat and flour has been of Canadian production.

Two Provinces Arrive

The expansion of those twenty-five years has been largely a matter of development of the Provinces of Saskatchewan and Alberta. Manitoba's settlement had been a much earlier affair, dating largely from the building of the Canadian Pacific Railway, although there had been earlier settlers, some of them dating back to the great days of the fur trade, who had found their way into Western Canada either through Hudson's Bay or around through the United States, by way of Minneapolis and St. Paul. Twenty-five years ago it was a well developed province, famous throughout the world for the quality of its wheat, which had acquired such a name for itself as the best wheat in the world that no one has since dared to change the standard name for western wheat from Manitoba Hard and Manitoba Northern, even though Manitoba has since shifted its production mainly into other lines of agriculture, and it produces much less than a tenth of the wheat which goes under that trade name.

Were Infants in 1907

But in 1907 Saskatchewan and Alberta were only in their infancy. As provinces they had been born in 1905, their previous administration having been as part of the Northwest Territories. By that time their agricultural future was indicated, and it was necessary to prepare for developments. A somewhat thin line of settlement had straggled across the Prairies in the wake of the building of the Canadian Pacific Railway, but much of the land to which the main line first gave access in Southern Saskatchewan and Alberta was first developed in cattle ranches. The building of new railways, extensive branches of the Canadian Pacific Railway, and the construction of the new systems of the Grand Trunk Pacific and the Canadian Northern Railway was opening up great new territories. Immigration from other countries began to build up the Prairies. Manitoba had been largely settled, so far as its farms were concerned, by immigration from Ontario. Farmers' sons had been attracted by the prospect of establishing homes on new and fertile soil, where land was free or low priced, and where life might be free from some of the drudgery that was associated with the milking of cows which was a staple part of farm life at home. The Ontario movement had to a large extent spent itself before the newer provinces were settled.

Three Great Waves

Three great immigration currents converged in the new provinces. One was from Great Britain, one from the United States, and one from Continental Europe. While much of this immigration was attracted to Canada by the prospect of work for wages, it was land that was the principal lure, and of this there was both free land and cheap land. The cheap land was mainly that which had been granted to railway companies as a bonus for construction, while the Hudson's Bay Company had for sale its one-twentieth of the area over which it had formerly held sway. In addition the Dominion Government was accustomed to set aside a proportion of each block of lands as surveyed as endowment for western education. Most of the rest of the area of Western Canada, as rapidly as it was surveyed, was offered in free homestead grants of 160 acres each to those who would establish homes thereon and during three years perform certain duties of cultivation. Homesteaders in addition could in certain areas "pre-empt" an additional quarter section, or 160 acres, by paying $1 an acre and performing cultivation, but not residential duties. Areas not considered suitable for settlement were set aside for grazing, and other reservations were made for Indians or for forest reserves.

Ready For Hard Work

The free land was the magnet which attracted settlers from Continental Europe, mainly from Germany, Austria-Hungary and Russia with a considerable number from Scandinavian countries. What these land hungry farmers lacked in capital, and most of them came with very little wealth, was to a large extent balanced by frugality and thrift and an ability to endure hardships inseparable from the opening up of a new country.

The settlers from the United States were by comparison considerable capitalists, mainly farmers who had made a success of operations on western prairies there, and who, by selling out land that had become fairly high priced, were able to bring, not only farming equipment and household effects with them, but also to bring considerable sums of money. Very largely, these wanted to buy land rather than to homestead, or if they homesteaded, to buy land in addition. They wanted a bigger farm than 160 acres, and were also prepared to pay for the privilege of selecting just what they wanted. Mainly they were attracted by flat, open treeless prairie, which promised the greatest ease of cultivation and the maximum prospect in grain crops, while European settlers liked better the slightly wooded and better watered lands lying mainly to the north of the open prairies, and giving greater promise of a farm home, which with the help of livestock, could be more self contained than was possible on the open prairie.

Farmers First of All

Settlers from both Europe and the United States were farmers to begin with, and for the most part established themselves as soon as possible on farms. From England came a considerable percentage of people from industrial classes, and it was not unusual for these to seek a few years' experience in farm work before attempting to set up a permanent home. Englishmen with capital tended to be attracted, as had been the case for a greater number of years, by the greater amenities and the less laborious existence of life of a rancher in cattle country of Southern Alberta and Southern Saskatchewan, although many of them shifted to farming when it became apparent that the great days of the ranch were passing, as the open range country began to be enclosed.

Era of Immigration

Immigration in Western Canada continued in an ever swelling tide did not always remain on it. Up from 1907 practically up to the outbreak of the war in 1914, although 1913 saw its peak. In that year over 400,000 people came to make their homes in Canada, of whom 150,000 came from the British Isles, and of these over 100,000 from England. In the same year 139,000 came from the United States, 136,000 of these had recorded destinations in the Prairie provinces. In that year more than 31,000 homesteads were taken up, with a total area of more than 5,000,000 acres, the great land companies reported sales of raw land to the extent of 7,000 acres, and hundreds of thousands of acres more were privately purchased. It is to be remembered that the homesteader, who, after three years of residence and cultivation, obtained a clear title to his quarter section, to that time he had been unable either to sell it or to borrow money on it, but with his title once established it became saleable, and to a large extent the homesteader sold.

Production Soars

Although immigration largely ceased with the outbreak of the war agricultural production in Western Canada went steadily ahead. To a large extent, up to that time, new settlers had occupied their lands, but had not yet got them fully under cultivation. Not only was breaking up land and getting it into crop a slow and laborious process, but so also was turning the latent resources of the land into cash capital which might be used for the purchase of equipment. Thus Alberta, which by 1914 had never succeeded in putting into wheat much more than 1,500,000 acres, had by 1919 more than 4,000,000 acres, an area which has since almost doubled to 8,000,000 acres. Saskatchewan by 1914 had 5,300,000 acres in wheat, but by 1919 had more than 10,000,000 acres, and has since attained a wheat area of 14,775,000.

Capital Available

To achieve the development of western agriculture that is represented by these figures has not only required land and labor, but a great investment of capital as well, capital to build houses to replace the sod shacks that at one time dotted the prairies, capital to buy the machinery that changing technique in farm management has made necessary to an ever increasing extent, capital to provide a proper equipment of livestock with housing and fencing to take care of them. Where has the capital come from? Mortgage and loan companies have supplied it to a total of many millions of dollars, and machinery and other commercial companies have supplied a lot in the form of extended credit. But to a preponderant extent it has come out of the land itself, as the value of succeeding crops has been transmuted first into money and then into farm equipment.

Although western agriculture is founded upon wheat, it must not be assumed that other branches of farming have been neglected. True, a number of years ago there were many farms which made no effort to produce anything except wheat, with a supply of oats for the horses. But western agriculture as a whole does not now, as once was the case, have to buy much of its food from outside. Its cattle leave it with a great surplus of live animals and of meat to find a markept elsewhere in Canada and overseas; its hogs have in the past furnished many millions of pounds of bacon for export, although recently it was not doing much more than provide for its own needs. It milks enough cows to give it all the butter and milk it can consume and it is left with a surplus to be marketed elsewhere. Manitoba has progressed comparatively further in this direction than have the other provinces, for it puts less land into wheat now than it did 25 years ago, and devotes a larger area to feed crops than to wheat.

Wheat Drop is Blow

Western agriculture is in distress now, as every one knows, because of the low price of wheat. It was not until three years ago that the disposal of the western wheat crop began to be a problem. Up to that time steadily increasing world markets for wheat, and the passing of India and Russia from the export market seemed to promise an indefinitely expanding market for indefinitely expanding production in the west. But it must not be thought that high priced wheat is a necessary condition of prosperity for the west. Prior to the war wheat prices in the neighborhood of eighty or ninety cents at the head of the lakes were considered good, and were sufficient to invite the opening up and settlement of the west. Dollar wheat was a phenomenon occasionally but rarely seen.

War prices brought a high degree of prosperity in 1915 and 1916, although for three years after when prices were much higher the west was in one of its cycles of poor production, and had but meagre crops to sell. In many cases high prices mean ultimately more loss than gain, encouraging as they did in many cases, the increasing of commitments to buy land at high prices, and to equip it with machinery at such a cost that only a number of years of good crops and high prices could bring the purchaser out even.

Now Cutting Costs

The post war decline in prices hit farmers hard because they had accepted high cost operation along with high prices for their products. But up to the production of the crop of 1930 substantial headway was made, and on the whole agriculture had a not unreasonable share of the general prosperity that existed before the general depression. Since then there has been a decided decline in prosperity, and each year has seen a large number of farmers worse off at the end of the year than at the beginning. Only partially is that to be attributed to prices, for commencing with 1929 a very large part of Southern Saskatchewan was afflicted with a three years' drought, bringing partial or complete crop failure for several successive years to many farms. Partial recovery over most of that area was made this year. Some of the districts thus affected had hitherto been among the most prosperous in the province, and many farmers were in a position to stand one or two bad years. Three years in succession, however, more than exhausted the reserves of most of them.

Western agriculture at the moment is in the most distressful period of its history. It has overcome the difficulties of its pioneering stage, it has established its chief product on the markets of the world. It is confident of its ability to outdo its competitors in the world wheat market in quality of product and in cost of production. It is prepared to accept the occasional vicissitudes of nature, confident that over a period the productive powers of its soil and its climate are to be relied on. But for the first time it is worried about the final outcome.

Is it suffering in common with the rest of the world from a depression that will pass away as other depressions have passed? Or is it engaged in a life and death struggle with the other wheat growing countries of the world in which victory will go only to that country which can longest stand the pressure? Have wheat prices led the way to a new general low level to which other prices will adjust themselves, and if so what is going to become of the debts, which even if they can be carried, can not, so far as many farmers are concerned, be liquidated at such levels?

When the answer to these questions is clearer it will be possible to discuss the future of western agriculture. In the meantime it is carrying on, adjusting itself as much as possible to conditions as they exist.

MARCONI INCOME DROPS SHARPLY TRAFFIC LOWER

Radio Sales Volume Up But Price Cutting Narrows Profit

From Our Own Correspondent

MONTREAL.—Net revenue of Canadian Marconi Co. in 1931 was $136,078 compared with $289,057 in the previous year. After slightly higher provision for depreciation at $234,729, there was a deficit of $98,651 for the year. Liquid position, however, was improved.

Nothing was written off patent rights last year other than an amount of $10,000 which, according to a statement of the auditors, arose from the proceeds of certain sub-licenses. In the previous year $46,875 was written off patents.

Following are comparative figures for the past two years:

	1931	1930
	$	$
Net revenue	136,078	289,057
Deprec.	234,729	228,740
Balance (d)	98,651	60,317
Patent write-off	......	46,875
Surplus (d)	98,651	13,442
Prev. surp.	457,814	444,373
P. & L. bal.	359,163	457,815

Note: (d)—Loss for year.

Working Capital Position

	1931	1930
	$	$
Curr. assets	1,486,351	1,420,222
Curr. liab.	184,111	218,551
Net working capital	1,302,240	1,201,671

Buys Government Bonds

Increase in current assets is due to the appearance of investments in government bonds, which are shown at $281,062. Inventories are down $272,000 at $458,616, cash is slightly lower at $59.908 and accounts receivable are up $65,000 at $686,763.

Investments in other companies are higher by $5,000 at $105,000 and patent rights are down $10,000 at $2,241,875. Depreciated value of property is carried at $1,292,261.

In liabilities, accounts payable have been reduced from $218,581 to $184,111. Mortgages are unchanged at $50,535 and capital stock remains at $4,554,682. Surplus has been reduced by $98.651 to $359,163.

Narrow Profit Margin

In his remarks to shareholders, Sir Joseph Flavelle, president of the company, stated that negotiations with Imperial and International Communications Ltd., have been continued but no definite results have been arrived at and directors were deferring a statement on the matter. With regard to radio sales he continued:

"On the manufacturing side the total value of gross sales was practically the same as last year. The volume of business was greater as prices were substantially lower, but profits on this branch were very small and were converted into a loss by the general price cutting which took place in the receiving set trade in connection with the disposal of the balance of the 1930 inventory stocks.

"On the traffic side the gross receipts again fell off very substantially. It was impossible to reduce expenses as the system was already being operated at a mimimum cost. The same staff has to be maintained to operate the system even if the number of messages carried falls off considerably. Consequently there was a substantial loss on this branch of the business.

"There was a comparatively small decrease in the revenue from the marine business. Broadcasting on the other hand showed a small improvement. The company's income from investments (including royalties) also fell off.

"The negotiations with the British Post Office and the Bell Telephone Company for the establishment of a direct trans-Atlantic telephone service have been brought to a successful conclusion and agreements for a long term contract have been signed between the parties. The service was established in July and appears to be working satisfactorily, having been in frequent use at the time of the Imperial Conference at Ottawa."

Peach Crop Is Record

The peach crop in the Niagara Peninsula, canned this year in Canadian Canners' plants at Hamilton, is the best in the history of Canada, according to official statements. The crop will keep a number of workers active for some weeks. An active demand has developed in Great Britain for this product, and some of the peaches and pears packed this fall are already on their way to England.

Alexander Dana Noyes Surveys World Depression

Refuses to Prophesy But Finds Six Concrete Developments to Support Idea That Tide Has Turned

Brilliant analysis of the causes and trend of the depression but refusal to attempt to prophesy as to the future trend of the world business and financial situation featured the address given by Alexander Dana Noyes, financial editor of the New York Times, before the Canadian Club at Ottawa last week.

Mr. Noyes listed six concrete developments which support the idea that the tide has turned but when it came to committing himself as to the probable future trend of events he said:

"To answer the question, whether the financial tide is turning is to indulge in prophecy, and prophecy has shattered a good many promising reputations in the last few years. One need only recall the economic doctors who assured us in August of 1929 that nothing but uninterrupted prosperity was ahead; the chief of state who in March, 1930, gave trade reaction only sixty days more to last. Perhaps I might also mention the eminent European economist who last June, almost at the moment when recovery of trade was about to begin, warned his audience at Oxford to 'beware lest the days of our civilization are numbered.'"

Why Panic Disappeared

He did, however, attempt to put his finger on what he believes may prove to be the turning point in the depression, namely, a realization of the fundamental soundness of the gold standard and established monetary institutions by peoples of the world. This he pointed out was already the answer being given to the question as to why the financial trend turned so suddenly at the end of June in the United States. He said:

"Occasionally it is asked today just why the financial markets and the trend of trade in the United States so suddenly turned last June from utter hopelessness to the first sustained upward movement in three years. The answer invariably is that the country all at once realized that the Federal Reserve had successfully met the 'raid' of the foreign central banks, that the talk of "going off gold" was baseless, that the gold standard was assured.

"Some time in the not very distant future, when we look back at the ending of the present great depression, we may find a similar cause for the return to world prosperity."

Answering the question as to what actual grounds there are to support the idea that the tide has turned, he says:

"But what actual grounds have we to support the idea that the tide has turned? Perhaps we need not stress the advance in average stock exchange prices, between midsummer and early autumn, of 100 per cent in stocks and 30 per cent in bonds. That recovery began from prices so fantastically low that nothing but blind panic, constantly aggravated, could have made them possible. But there are other concrete developments.

Factors Summarized

"I will summarize them briefly and then turn to the larger considerations:

"(1) Recovery of 9 per cent, as measured by some compiling agencies, in average prices for commodities during three months; an advance only partly lost afterward. This was the first sustained recovery since the middle of 1929.

"(2) Railway traffic, which in July averaged 34 per cent below the corresponding period in 1931, is now only 14½ per cent below last year. The autumn increase has been unusually prolonged.

"(3) The textile industry in September worked on the average at 94⅝ per cent of capacity, as against 72⅜ in August, 88¼ in September, 1931, and 90⅝ even in September, 1928.

"(4) Steel production still very low, but with an increase from 13 per cent of capacity at the end of August to 19½ per cent this month, the largest ratio of autumn increase of any year but one in the past decade.

"(5) The estimate of the Federal Reserve Board that $250,000,000 of hoarded money has returned to general circulation in the past three months.

"(6) Gold holdings of the Federal Reserve System, which had been reduced $471,000,000 during the recall of their American balances by European central banks last spring, has subsequently increased $410,000,000.

"I might add to this the present week's etimate by the Reserve Board that the country's gold production in the whole of 1932 will reach $460,000,000, as against only $350,000,000 as recently as 1923; an increase in nine years, in the annual output, of more than 30 per cent and close to the maximum annual production on record, the $468,000,000 of 1915."

Responsibility for Crash

Commenting on the current controversy raised on political platforms recently as to whether or not responsibility for the collapse of prosperity belongs to the United States or Europe, Mr. Noyes gave as his opinion that the question was "footloose" except for stump speakers, but stated emphatically that the immediate responsibility for precipitating the crash, must be borne by the United States. He holds to the belief that a great part of the financial trouble which developed in Europe in the last year or two was brought to a head in large measure by the withdrawal of American financial props. United States, he pointed out, had in 1927 subscribed to $1,600,000,000 of foreign securities but not a dollar had been subscribed in the first half of 1932.

Irrespective of where the responsibility lay, he outlined the three main causes to which are currently assigned the responsibility for the severity of the subsequent depression. These briefly stated, are the fall in prices; the burden of indebtedness which includes of course war debts, and the gold standard. In regard to the former, he expressed his belief that recovery will not solve the problem of indebtedness incurred in years of price inflation, nor will it restore the 1929 price level. As to war debt cancellation he stated emphatically that in his opinion drastic revision or reduction of their terms is certain. He casts doubt on the wisdom of general cancellation.

"Most of our clear-sighted publicists and statesmen are aware that this international burden must be mitigated. 'Cancellation' is an unpopular suggestion with the majority of our people, and on the whole it is right that it should be so. To forgive the debt outright might be a noble gesture. Would it create sound precedent? But drastic revision or reduction of the terms is in my opinion certain. In 1925 and 1926 very large remission was actually conceded in the war debt of Belgium and Italy to our government. In 1931 a general moratorium was granted. On both occasions, that course was taken as much in the economic interests of America as of Europe. The same motive now exists in far more compelling shape.

The Money Standard

"There is left, as the third cause popularly assigned for the shape and violence of this depression, one controversy which is perhaps now uppermost It charges our present troubles chiefly if not wholly to the money standard. I do not propose to enter upon any statistical discussion about gold. Two considerations are worth pointing out, however. One is, that the causes which I have already described are quite sufficient in themselves to account for present-day difficulties—for all of them. The other is, that no great panic has occurred in a hundred years when an attack on the money standard did not shortly follow, and that it always ended when the depression ended.

"Recklessness in our own financial conduct may have been accepted as explaining the immediate panic crisis on occasions of the sort. Every one thought the punishment had probably measured up to the offense. But three or four years of severe business depression made the popular mind receptive to different explanations. Furthermore, the challenge to the money standard always had some new basis of argument on each successive reappearance, because the particular phenomena of no two major depressions are in all respects the same."

PREDICT PROTEST BY GRAIN TRADE ON PORT RULING

Do Not See Why Britain Demands Canadian Route

SAY OF NO VALUE

Westerners Claim Country Will Lose if Competition of U. S. Ports is Cut Out

From Our Own Correspondent

WINNIPEG.—While Montreal, Quebec and the Maritimes rejoice over the new interpretations of the British wheat preference, the grain market is astounded and incredulous that Great Britain proposes to tax Canadian wheat, the same as foreign wheat, under the new preferential tariff arrangement, unless it is shipped direct from a Canadian port or consigned on a through bill of lading from Canada. Montreal can handle the bulk of Canadian grain shipped to Great Britain during the summer, but even then the competitive rates quoted by New York lines are a great advantage in keeping down the cost of ocean carriage. In winter time the New York route is regarded by the trade as of very great importance. Vancouver can handle a good deal of the United Kingdom business in the winter, but under present conditions buyers are often reluctant to place orders far in advance.

Say It Is Valuable

The ability to make prompt shipments through New York is considered by the trade to be of great advantage to Canada. There have been times when wheat at Vancouver commanded premiums over wheat at the head of the lakes, but for months past it has been at a discount. Morever, wheat for shipment from Vancouver has been steadily quoted, even in Liverpool at discounts under the price for Atlantic shipments, as buyers have been willing to pay higher prices for wheat they could secure within as short a period as ten days, if necessary.

Again, with no New York competition it is feared by the trade that the cost of ocean shipment from Vancouver will tend to rise. Buffalo has provided a winter storage point for a good deal of Canadian grain, and also a transfer point even for grain going to Montreal in the summer. If Buffalo is to be cut out as a transfer point, competition of American owned vessels on the lakes, which under the coasting laws may not take it direct to Montreal, will no longer be a factor in affecting lake rates, it is declared. An immediate agitation to give United States vessels Canadian coasting privileges is likely to result from the situation.

Not in Published Text

The text of agreements so far made public did not indicate that Great Britain would exercise any such "discrimination" as has been announced in the British Parliament. When despatches first indicated that there was some uncertainty on the subject it was supposed that the customs authorities there had not yet made themselves familiar with the way in which Canadian wheat is actually imported into that country, which makes its identification as Canadian absolutely simple. Each consignment, it is pointed out, is accompanied by inspection certificates issued by the Canadian government, and each certificate is endorsed as grain passes through transfer elevators to show either that the identity of the grain has been preserved or, in case of grain passing through Montreal, that it is of the same grade as original inspection. There is still hope in the trade that the announcement made in the British House of Commons is based on a misunderstanding of the situation, and that Canada will not "be put in the position of having asked for and obtained a tax on foreign grain that she will have to pay herself unless she is to see the cheapest route for much of her grain taxed out of existence," to quote a grain man.

One close observer predicted today that if the Canadian government finds itself unable by explaining the facts of the situation "to get corrected" the announcement that has been made, this feature of the results of the Imperial Conference will overshadow all others in western discussion. Those who believed that a tax on foreign wheat would not benefit the Canadian producer, will find no reason to believe that a tax imposed on Canadian wheat, or that blocks an important shipping route, will be harmless.

This is the western view but the west realizes that Montreal and the Maritimes hold quite another view on the matter.

B. A. Oil Shareholders Authorize Debenture Issue

President States Issue Will be Delayed to Propitious Time—Earnings of First Nine Months of 1932 Cover Dividends Amply—Inventories Gain

British American Oil Co. shareholders at a special general meeting on October 31 gave authority to the company to issue an additional $5,000,000 of 6 per cent convertible debentures at a time deemed by the management to be propitious. A. L. Ellsworth, president, read a statement which showed net earnings for the first nine months of 1932 to be $1,926,305 as compared with $2,730,930 for the full year 1931. This indicates dollar profits to be somewhat lower than in 1931 because of the lower price level although it is understood that the company had a very encouraging volume of sales. One noteworthy item in the statement was the decision of the directorate to write down oil leases and goodwill from $2,314,000 to $1 by dropping the total surplus from $8,631,176 to $6,619,000.

Dividends Well Earned

The comparative income statements of the first nine months of 1932, shown in round numbers, and of all of 1931, follows:

Profit and Loss	9 Mos., 1932	Year 1931
	$	$
Operating profit	3,259,000	4,415,745
Interest	176,000	244,486
Depreciation	919,000	1,138,329
Taxes	236,000	302,000
Net earnings	1,926,305	2,730,930
Dividends	1,573,000	2,098,113
Surplus for period	353,000	632,817
Bal. fwd.	*8,580,000	7,998,359
Surplus	8,933,000	8,631,176
Oil leases, goodwill	2,314,000	.....
Total surplus	6,619,000	8,631,176

*After tax adjustments.

Note:—No figures for nine months of 1931 were presented and profit and loss figures for full year 1931 used for comparison.

Working capital of the company in these nine months advanced from $2,827,000 to $3,009,000, current assets having increased from $9,205,594 to $10,673,000 and current liabilities from $6,378,136 to $7,664,341.

The increased current assets were mainly attributable to larger inventories which went up from $5,147,615 to $6,552,000. That is usual just before winter. Cash was up from $1,037,569 to $1,193,000 but receivables were down from $3,020,409 to $2,928,000.

The increased current liabilities are due to an increase in bills and accounts payable. Bank loans are down from $3,750,000 to $3,550,000 but payables are up from $1,721,733, including accrued charges and sales and gasoline taxes, to $3,248,000. Bank loans had doubled in 1931 because of the expansion programme of the company. The debentures to be issued would reduce the bank loans and payables to small proportions.

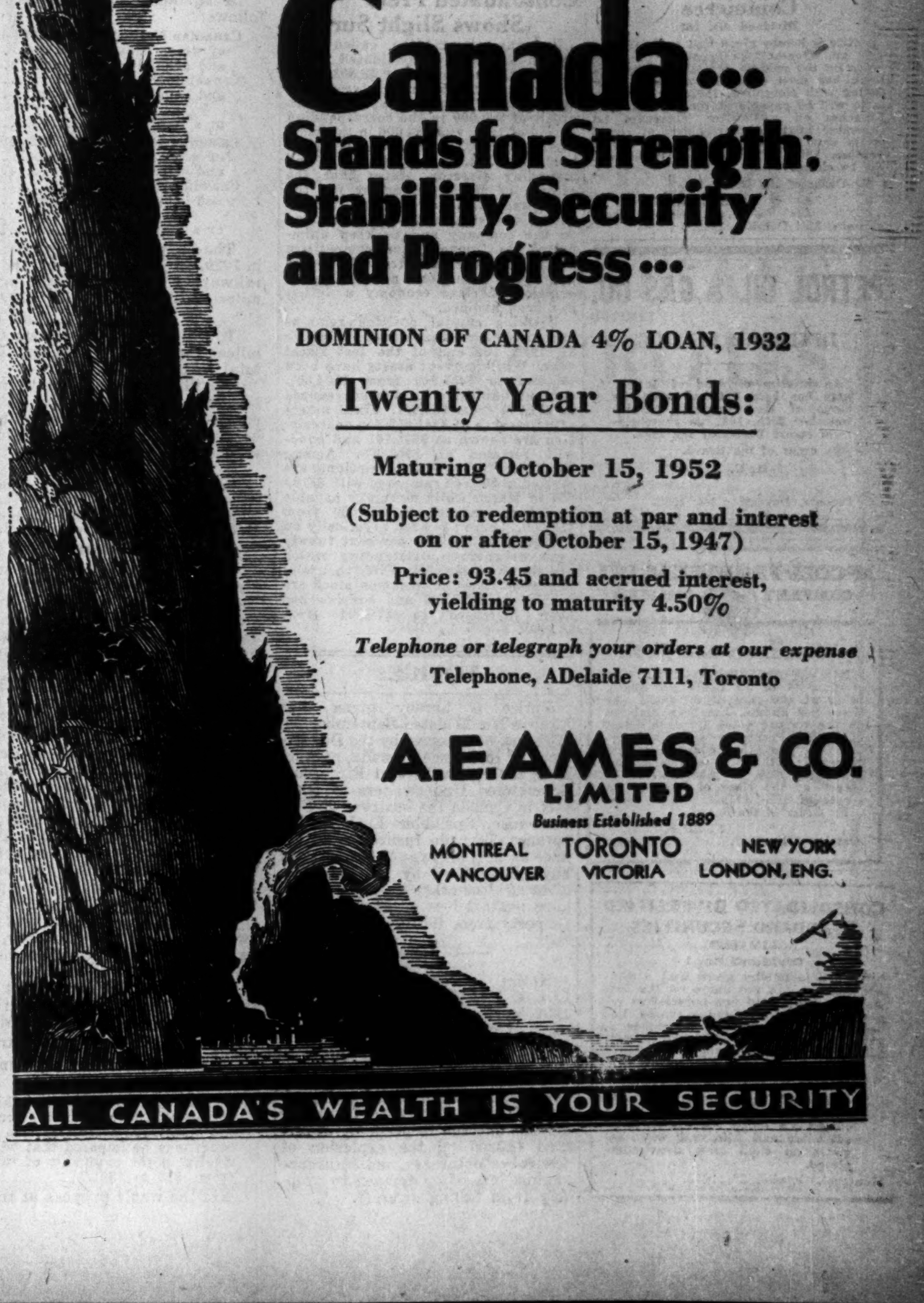
As things are, Mr. Ellsworth told the meeting the banks are in a position to dictate the dividend policy of the company and he therefore considers it in the interests of common stock to permit the issue of such debentures. The funding of these obligations would also remove the one weakness in the company's balance sheet. It was pointed out that the company reduced debentures already outstanding from $4,792,000 to $4,642,000 already in 1932.

Mr. Ellsworth stated that progress was made by United States subsidiaries in repayment of funds advanced by the parent company.

New Firm Opens Offices

From Our Own Correspondent

MONTREAL.—Craig Ballantyne & Co. members of the Montreal Stock Exchange and of the Montreal Curb Market, have announced the opening of their offices. Members of the new firm include J. P. Craig, J. R. Ballantyne, E. G. Grave and J. E. J. Fox.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NOTICES

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Write Box 100, The Financial Post, Bleury St., Montreal.

The Consumers' Gas Company of Toronto

NOTICE of ANNUAL MEETING

The ANNUAL GENERAL MEETING OF THE SHAREHOLDERS of The Consumers' Gas Company of Toronto, to receive the report of the Directors, for the Election of Directors for the ensuing year and for the transaction of such other business as may properly be transacted at the meeting, will be held in the Company's Auditorium, 55 Adelaide Street East, Toronto, on MONDAY, the 14th DAY OF NOVEMBER, 1932, at 12 o'clock noon.

By Order of the Board,
ARTHUR HEWITT,
General Manager.

Toronto, October 10th, 1932.

DIVIDEND NOTICES

Canadian Hydro-Electric Corporation Limited

Notice of Dividend on 6% Cumulative First Preferred Stock

Ottawa, Canada,
October 25, 1932.

The Board of Directors has declared a quarterly dividend of 1½% ($1.50 a share) on the shares of 6% Cumulative First Preferred Stock of the Corporation payable in cash December 1st, 1932, to holders of record of such stock at the close of business November 1st, 1932.

Cheques will be mailed. Stock transfer books will not close.

J. R. BINKS,
Secretary.

BLUE RIBBON CORPORATION LIMITED

Notice is hereby given that a dividend of Fifty Cents (50c) per share on the preferred shares of the Company has been declared payable on and after November 1st, 1932, to shareholders of record on October 28th, 1932.

Dated at Toronto this 25th day of October, 1932.

J. C. JAMIESON,
Secretary-Treasurer.

Belding Corticelli Limited

Dividend No. 72

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 15th day of December to Shareholders of record at the close of business the 30th day of November, 1932.

By order of the Board.

D. F. POLLOCK,
Secretary.

The Canadian Bank of Commerce

Dividend No. 183

Notice is hereby given that a dividend of Two and One-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1932, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st December next, to shareholders of record at the close of business on the 31st day of October, 1932. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager

Toronto, 21st October, 1932.

PETROL OIL & GAS CO. LIMITED

DIVIDEND NOTICE

An interim dividend of 1c per share has been declared upon the shares of the Company, payable December 20th, 1932, to shareholders of record December 1st, 1932.

By order of the Board.
H. G. DEACON,
Secretary.

Toronto, November 1st, 1932.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 13

NOTICE IS HEREBY GIVEN that a Dividend of 15 Cents per share, being at the rate of 60 Cents per share per annum, has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the quarter ending November 15th, 1932, payable December 15th, 1932, to Shareholders of record at the close of business on November 15th, 1932.

By Order of the Board.
FRED HUNT,
Secretary.

October 27th, 1932.

CONSOLIDATED DIVERSIFIED STANDARD SECURITIES LIMITED

Dividend No. 1

NOTICE is hereby given that a dividend of 25c per share on the outstanding fully paid non-cumulative redeemable First Preference shares has been declared, payable December 1, 1932, to shareholders of record November 1, 1932.

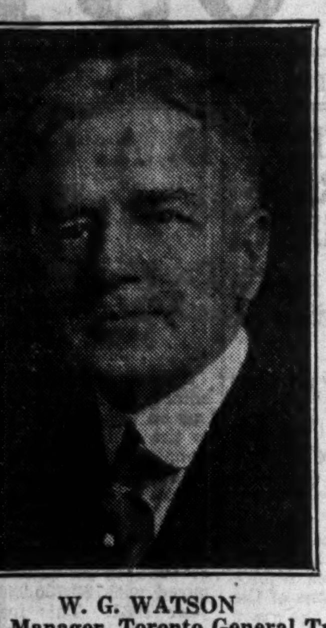
By Order of the Board,
A. G. TIERNEY, Sec.

P.S.—Dividends accruing on fully paid shares not as yet registered in the company's stock records shall be set aside and paid only when registration shall have been completed.

Montreal, October 25, 1932.

An Anniversary Message

For additional messages see page 17 to 21



W. G. WATSON
General Manager, Toronto General Trusts Corporation

"On this the twenty-fifth anniversary of the founding of The Financial Post I wish to congratulate you and your editors upon the marked success which has attended upon your endeavors throughout these twenty-five years and the deservedly conspicuous place your paper occupies in Canada at the present time.

"Through your enterprise and courage you have made a valuable contribution to the development of the Dominion during this period and never more than in recent years. Your painstaking and efficient services in providing the business community generally with important information on our larger Canadian industries and individual business enterprises, together with up-to-date and reliable data upon economic and political matters, have filled a real need in our midst.

"As the last twenty-five years have shown great expansion in the affairs of The Financial Post, these have also been memorable years in the growth and expansion of Canada, not only in her industrial and commercial interests, but also as to her place and responsibility among the nations of the world.

"It is true however, that while in this period Canada forged ahead and found a place of leadership in world affairs, it was due to the courage, faith and industry of her people for, while in this period we had years of great prosperity, we also had our years of severe reverses and more than one period of depression, which tried the mettle of our citizens to the full. We had our years of war, filled with anxiety and grave concern as they were, but in which we learned what a nation united with a common purpose can accomplish.

"Our present situation may be difficult, intimately associated as we must inevitably be with world affairs, but we have, however, the same natural resources, the same high courage, patience and perseverance which have seen us through difficult times in the past, and I have no doubt that, splendid as our past has been, it is but an earnest of what our future will be if, as Canadians, we continue to emulate the virtues of our pioneer forefathers.

"I trust that the success which has attended your efforts in the past will continue throughout the next quarter of a century."

EXPLAINS CHANGE IN BALANCE SHEET OF POWER CORP.

Investments in Controlled and Affiliated Companies Now Segregated

From Our Own Correspondent

MONTREAL. — Segregation of Power Corp. of Canada's investments in controlled and affiliated companies, as set up in the last balance sheet, was explained to shareholders at the recently held annual meeting.

A. J. Nesbitt, president of the company, stated that this year it was decided that shareholders should know how the company's investments were placed. Accordingly all holdings of bonds, preferred and common stocks in controlled or affiliated companies were segregated in an amount having a book value of $26,534,817. Other investments, totalling $16,635,538, comprised exclusively holdings in outside companies such as Shawinigan, Brazilian Traction, etc. Combined investments had a market value of $21,386,495 as at June 30, 1932.

In the previous year a different policy had been adopted. Common stocks only of controlled and affiliated companies were held in one account valued at $17,094,418 while other investments of $29,391,672 included outside investments and bonds and preferred stocks of controlled companies.

Retires More Debentures

That Power Corp. is pursuing its policy of retiring debentures was revealed in a statement of the president who announced that over $1,000,000 had now been retired. In the last fiscal year $784,000 were retired while another $116,000, making a total of $900,000 had been retired up to the end of September.

Since that time, therefore, it is indicated that another $100,000 of debentures has been retired.

Consolidated Press Shows Slight Surplus

For the six months ended September 30, 1932, Consolidated Press Ltd., had a net profit of $3,303 after provision for debenture interest and depreciation. This compares with profit of $43,000 in the corresponding period of 1931, and $84,000 in the same period of 1930. In a letter to shareholders, M. R. Sutton, president and managing director, states that the efforts of the management for the past year have been directed to mitigating the effects of the depression on the company and to keep unimpaired its financial and competitive position in the industry. By salary and wage reductions as well as by practice of close economy a deficit has been avoided.

Working capital position remains unchanged from that shown on March 31, 1932, the end of the last fiscal year. While current assets have been reduced to $481,949 from $504,307, current liabilities have been reduced to $71,910 from $89,661. Fixed assets after reserve of $141,653 for depreciation are shown at $633,761 and goodwill remains at $500,000. Among liabilities, prepaid subscriptions are carried at $92,060 compared with $116,657 in March while mortgage payable has been reduced to $55,000 from $80,000. There has been practically no reduction in the 6½ per cent twenty year debentures outstanding which are shown at $585,800. Fifty thousand shares of class "A" common stock are carried at $723,076 and surplus has been increased to $78,864 from $75,561.

NOTICE

Notice is hereby given that License No. 21 dated September 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Fireproof-Sprinklered Underwriters to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Notice is hereby given that License No. 22 dated September 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Metropolitan Inter-Insurers to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Branch Lines Led To Costly Struggle

Canadian National and Canadian Pacific Railways Spent Enough to Provide Thousands of Jobs — Taxpayers and Shareholders Now Pay Cost

By F. S. C.

The Duff report on railways shows that the Canadian National and Canadian Pacific Railways invested millions of new capital between 1923 and 1931, the period of C. N. R. "consolidation" and expansion under Sir Henry Thornton. Capital expenditures of the National in that period were $456,345,456; of the C. P. R., $298,505,519, not counting the latter's $50,271,336 in new ocean vessels.

As much of this money was spent in Canada, it is obvious that the two railways were important factors in creating the appearance if not the actuality of great prosperity in the country. Thousands of workers received steady employment on branch line building; construction firms were given huge hotel contracts; stocks of Canadian Car & Foundry, National Steel Car Company, etc., soared on the exchanges. The railway expenditures brought bustle and activity to the Canadian scene. This activity made people feel prosperous; even made the railways feel prosperous and spurred them to even larger expenditures.

The C. N. R. expenditures went on to the public debt of Canada and the wasteful and non-productive investments added vastly more to annual losses than was saved by investments made in the interests of operating efficiency and economy.

How C. P. R. Raised Money

The C. P. R. expenditures were made from capital raised by the sale of debentures and new shares offered to employees and public on what were at the time attractive terms. Between December 31, 1922, and December 31, 1931, C. P. R. increased its funded and short term note debt from $308,000,000 to $429,000,000. It sold $56,000,000 of its preferred shares and received some $120,000,000 on account of new purchases of common stock. These common shares (bought by employees and shareholders) are now worth about $45,000,000 or at least that is what this distressing market quotes them at.

Whatever mistakes were made, whoever benefitted at the time by the large-scale spending, there is no doubt who has paid or will ultimately pay the bills; it is the taxpayers of the Dominion in one case and the shareholders of the C. P. R. in the other. The cost has not been unloaded on shippers and passengers.

Built Over 5,000 Miles of New Line

Particular reference is made in the Duff report to branch line expenditures. The $162,000,000 spent by the two railways built 5,019 miles equivalent to the provision of a line of railway extending from Halifax to Vancouver and back again to the Manitoba boundary.

A summary of the branch line expenditures of the two lines follows:

Canadian National spent, 1923-1931	$92,000,000
of which construction took	73,250,000
and acquisition took	18,750,000
Canadian National built	1,895 miles
and bought an additional	650 miles
or a total of	2,545 miles
Canadian Pacific spent, 1923-1931	$70,400,000
of which construction took	65.100,000
and acquisition took	5,300,000
Canadian Pacific built	2,266 miles
and bought an additional	207 miles
or a total of	2,473 miles

The foregoing statement does not take into account the acquisition, in 1929, on joint account for the two systems, of the Northern Alberta railways from the Alberta provincial government, comprising 915 miles of line, and costing $30,000,000.

C. P. R. Built Lines at Lowest Cost

It will be noted that there was not a great difference in the new mileage of the two lines but that there was a sizeable difference in total costs.

An illuminating comment on this appears in the report where it is shown that between 1923 and 1931 the cost per mile of branch line construction on the National lines rose from $40,214 to $51,640, while on the C. P. R. it declined from $35,470 to $30,299. To which the report adds this footnote:

> "The cost of individual branch lines varies not only as between the two systems but as between branches of the same system; nevertheless, a majority of the lines were built in similar territory for like purposes. This difference in costs represents an addition to the annual interest charge of almost $800 per mile."

Branch Line Construction Policies

Canadian railway development during the past decade has consisted almost entirely of the construction of branch lines and both companies have followed practically the same policy. The commissioners questioned the representatives of both lines as to justification for the construction or acquisition of this additional mileage. The explanations given were not such as to convince them that this policy has been sound or wise.

On behalf of the Canadian Pacific it was stated that the company had been forced to anticipate the building of such branch lines, the construction of which might have been deferred without injury to the public, and that protective lines had had to be projected under a threat of invasion by the Canadian National.

The Canadian National stated that to refrain from branch line construction would result in the system being deprived of any opportunity for reasonable and proper development. Strategic territories, contiguous to their main lines, would be entered by their rival and, while admitting that they entered upon the construction of lines not immediately required, they defended this policy on the ground that to open up new territory in anticipation of settlement and immigration, and to maintain the company's relative position with regard to the rival transport enterprise, was in the long run justified.

To sum up, it is clear that there was intense rivalry between the two systems in new territory, particularly in the provinces of Saskatchewan and Alberta. The construction programme of one company was responded to by an equal or greater programme of construction of the other. The development of this territory did not meet expectations, and the railways now find themselves with additional traffic mileage and an increased burden of capital charge.

Need to Control Future Extensions

The comment of the commissioners on such a situation is the obvious one. They say:

> "It would be fruitless at this stage to apportion the blame for the competition in branch line construction, but there is no doubt as to the disastrous effects of this competition, and it is imperative that conditions be imposed that will make impossible a repetition of the rivalry in the extension of railway mileage that marked the period from 1923 to 1931."

Yet the whole purpose of the co-ordination of the various government railways into one unit after the war was to reduce the losses on an already over-expanded railway equipment.

Six Railways Unloaded on C. N. R.

The commission lists the six railways taken over by the Canadian National Railways at a cost of $35,000,000 and on these acquisitions it makes this comment:

> "In explaining the 1929 acquisitions it was stated by representatives of the Canadian National Railways that the 'technical' recommendation to purchase came from the Canadian National management but that, with regard to some of them, it was recognized that they were not of advantage from a strictly railway point of view. All of them were, however, in a territory served by the Canadian Government Railways and were natural adjuncts to that system. It was also stated that the service on these short lines under private ownership had been, for the most part, unsatisfactory, and that this led to a strong public demand that the government should take over the railways. This agitation finally resulted in the lines being taken over, although it was admitted that the condition of these roads and their earning power were such that they must be a burden on the railway system. The recommendation of the management is understandable under the circumstances. but the commission believes that it would have been better had the government assumed this burden directly and thus avoided saddling the railways with capital charges and operating expenses resulting from the purchase of railways based solely on a public policy."

This is the second of a series of discussions of the railway problem in Canada, suggested by the Duff report. The third article will appear in an early issue.

NEW PLANTS BUSY TORONTO REPORTS

Survey Views Results of 89 Newly-Established Concerns

New plants in Toronto are making good progress, according to a statement made recently by H. B. Keenlyside, general manager of the Toronto Industrial Commission. A survey was made covering new industries which had located in Toronto in the past three and a half years.

The survey, covering the operations of 89 firms, shows that 87 per cent of the new industrial enterprises report their business at the present time as being "very good," "good" or "fair," 65 per cent of them reporting under the first two categories. Eleven firms described business as slow, the majority of these 11 being identified with the building and construction industries in which operations throughout the country have been at a low ebb for more than two years.

Moreover, the commission's survey shows that 17 of the new industries increased their floor space and a like number their investment in plant and equipment during the past year, 10 increased the number of their employees (only four reduced their staffs) and 24 enlarged the percentage of Canadian content of manufacture.

The Canadian content in the cases of more than one-quarter of the number of new industries is 100 per cent, that of nearly one-half, between 75 and 100 per cent, and that of the remainder, between 50 and 75 per cent. In only seven instances is the percentage below 50. In all cases where the content is less than 100 per cent, certain materials required for manufacture are not at present available in Canada.

The new industrial enterprises are classified under two headings, new industrial firms of outside origin which have established their own plants, and outside companies which have made manufacturing arrangements with existing Toronto concerns for production of their products. The former number 76 and occupy nearly 1,000,000 square feet of floor space, are giving direct employment to more than 2,000 people and have invested in plant and equipment approximately $3,500,000. The latter, numbering 19, have resulted in employment of some 300 people and the investment in plant and equipment of more than $500,000. It is estimated by the commission that fully 1,000 persons other than those directly employed in the new enterprises have been given employment in other Toronto industries which are supplying materials and parts to the new concerns.

Federal Grain Widens Scope of Operations

From Our Own Correspondent

MONTREAL. — Due to improved crop conditions, Federal Grain Co. is now operating a total of 406 elevators as compared with 320 in the previous year, shareholders were informed at the annual meeting. Officers and directors of the company were reelected without change.

Operating profit in the fiscal year ended July 31, 1932, was $765,192, a decrease of $24,000 from the previous year. After an increased reserve for depreciation and interest charges, net profit was $52,537 and other write-offs resulted in a deficit of $11,806.

Though earnings were lower working capital position was improved and bank loans were reduced by $1,364,000 to $1,419,540.

Price of Farm Products Takes Further Drop

The index of farm prices of 27 agricultural commodities stood at 56 per cent of pre-war average on October 15, or 8 points lower than on September 15, according to the Bureau of Agricultural Economics, U. S. Department of Agriculture. The index on October 15 was 4 points above the low touched in June of this year. Last year on October 15 the index stood at 68.

The decline since September resulted from reductions in prices paid to farmers for all groups of commodities except wool, eggs, and dairy products. Farm prices of grains and fruits and vegetables slipped to the lowest levels in the 22-year period covered by the price statistics; cotton and cottonseed lost about three-tenths of the gains they had made since June. These declines were partly offset by a seasonal advance in dairy products and in the price of eggs.

Balance of Argentine Crop Placed at 32,000,000 bu.

The correspondent of the Dominion Bureau of Statistics at Buenos Aires reports the official estimate of the wheat crop at 225,922,000 bushels, carryover 16,304,000, total 242,226,000, needed for seed and domestic consumption 95,532,000, exported to September 30, 114,858,000, balance still available 31,836,000.

He says: "With practically no wheat coming forward there is no selling pressure whatever here, and our prices continue too high in comparison with those quoted by other exporting countries for there to be any hope of doing business with European buyers. Our influence in the international trade is nil, and will continue to be so until the new crop materializes, meanwhile leaving to Canada and the United States the leading roles in the determination of export wheat prices.

"With the good crops reported from consuming countries in Europe, and the apparent probability of world surplus of wheat, the feeling on the market is somewhat pessimistic at present.

"The locust plague is still with us, and the area covered by the insects is slowing spreading. There is little actual damage to the wheat, although there has certainly been some in the northern Santa Fe and Entre Rios. But generally the crops of flax and the pastures have made a greater appeal to the insect appetite, and that is where most of the damage has been done."

Lake Of The Woods Milling Company, LIMITED

and Its Wholly Owned Subsidiary Companies
Consolidated Balance Sheet as at 31st August, 1932

ASSETS				
PROPERTY ACCOUNT: Land, Water Power, Buildings, Machinery and Equipment, as per Appraisal, plus additions to date			$10,395,582.15	
LESS Reserve for Depreciation			2,402,036.25	$ 7,993,545.90
DEFERRED CHARGES TO REVENUE				47,490.55
INVESTMENTS IN CONTROLLED COMPANIES: (Held by the Trustee for the Bondholders)				2,311,387.59
LOANS TO CONTROLLED COMPANIES				50,000.00
INVESTMENTS IN AND LOANS TO OTHER COMPANIES LESS RESERVE				259,200.00
GOODWILL, TRADEMARKS, ETC.				250,000.00
CASH ON HAND AND IN BANKS			19,930.65	
ACCOUNTS RECEIVABLE: After providing for Bad and Doubtful Debts			724,347.75	
WHEAT, FLOUR, FEED, BAGS, COOK BOOKS, ETC.: As per Inventories			1,426,929.12	2,171,207.52
				$13,082,831.56
LIABILITIES				
CAPITAL STOCK: AUTHORIZED: 200,000 shares of No Par Value; 15,000 shares of 7% Cumulative Preferred Stock of $100.00 each.				
ISSUED: 148,000 shares of No Par Value			$5,650,000.00	
311 New shares not taken up			15,550.00	
147,689			5,634,450.00	
15,000 shares of 7% Cumulative Preferred Stock of $100.00 each			1,500,000.00	$ 7,134,450.00
FIRST MORTGAGE BONDS 6% DUE 1st MAY, 1941: Issued and held by the Banks as Collateral to Loans			$4,000,000.00	
BANK LOANS SECURED AS ABOVE AND UNDER SECTION 88 OF THE BANK ACT			3,210,000.00	
ACCOUNTS PAYABLE			395,864.67	3,605,864.67
RESERVES: Provision for Employees' Retiring Allowance			125,000.00	
Insurance Reserve			41,089.11	166,089.11
RESERVE FOR UNREALIZED APPRECIATION ON APPRAISAL OF PROPERTIES				1,571,538.91
SURPLUS: Balance, 31st August, 1931			536,353.17	
DEDUCT Proportion of Net Loss of Controlled Companies to 31st August, 1931			42,833.93	
			493,519.24	
Profit for the year before providing for Interest and Depreciation		$511,726.29		
Less Interest	$250,148.18			
Reserve for Depreciation	120,000.00	370,148.18		
		141,578.11		
DEDUCT Proportion of Estimated Net Loss of Controlled Companies		30,209.48	111,368.63	604,887.87
				$13,082,831.56

CONTINGENT LIABILITIES:
Guarantee of $1,600,000.00 5½% Bonds of Inter-City Baking Co., Ltd.
On Customers' Paper Under Discount, $191,616.43.
Guarantee Bond $100,000.00 (U.S. Currency)

NOTE: Dividends upon the Cumulative Preferred Stock accrue from 1st September, 1931.

On behalf of the Board { JAS. W. PIKE / HUGH MacKAY } Directors.

Montreal, 12 October, 1932

We have examined and audited the Books and Accounts of the Lake of the Woods Milling Company, Limited, and of its Wholly Owned Subsidiary Companies for the year ended 31st August, 1932.

The Investments in Controlled Companies appear in the Balance Sheet at cost less proportion of Estimated Net Loss written off.

The Inventories of Stocks on hand have been certified by Officials of the Company, and we have satisfied ourselves as to the basis on which they have been valued.

We report that we have obtained all the information and explanations we have required, and that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Combined Companies' affairs, according to the best of our information and the explanations given to us, and as shown by the Books of the Company.

RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

Wholesalers of Saint John Have $17,000,000 Trade

Eighty-two wholesalers in Saint John, N.B. in 1930 did a $17,322,800 business, employed 1,084 persons and paid them $1,488,900. Food and tobacco accounted for $8,206,000, or 47 per cent of the business. Ten of the 82 wholesalers are classified as importers. The population in 1931 was 47,514.

There are two other groups which might be added, doing business to the extent of $25,416,000. One group is represented by bulk tank stations and manufacturers' sales branches. In the second group are brokers and agents who do little more than book orders.

"The Greatest Single Factor in the Industrialization of the Province of Quebec"

J. E. ALDRED

J. E. Aldred, to whose pioneer vision the Shawinigan Water & Power Company development is due, speaking in retrospect recently said:

"When we started the company at the beginning of the century we regarded 50,000 h.p. as the ultimate capacity of the Shawinigan development.

"If anyone had told us that 30 years later we would have developed or under control nearly 1,000,000 h.p., we would not have believed it.

"It is my opinion that Shawinigan Water & Power Company has been the greatest single factor in the industrialization of Quebec Province and, due to its having unrestricted control of what is regarded as the greatest watershed in the world, there is no doubt of the future course of the company.

"The resources of the Province of Quebec are beyond conception and in the St. Maurice Valley, Shawinigan has an enormous supply of low cost energy which is bound to attract industries."

Salient Shawinigan Statistics, 1931

Developed power resources, 858,750 horsepower.
Undeveloped (estimated), 1,800,000 horsepower.
Operates 4,018 miles of transmission and distribution lines.
Serves 111,900 customers in 427 cities, towns and municipalities.
19,120 shareholders — 15,937, representing 72% of the shares, reside in Canada.
Peak load, 725,000 horsepower.
Total assets, $173,240,000.
Gross earnings, $13,693,000.

SHAWINIGAN POWER

THE SHAWINIGAN WATER & POWER COMPANY
MONTREAL • CANADA

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

How Will Consumers Gas Fare in Future Markets?

Company Has Paid Dividends for 84 Years—Finances Expansion by Stock Sales, But Income, Dividends and Assets Advance in Proportion

While Consumers Gas common stock is not a market leader in the customary sense that there is from day to day heavy trading in its shares, its record of dividend payments for 84 years without a break has given it a very high place in the esteem of investment circles. The fact that from time to time the company sells a block of its stock at a substantial premium in order to finance further its growing business of manufacturing and distributing gas in Toronto and surrounding municipalities also from time to time makes the stock of definite and immediate market interest as well.

Has Self-Adjusting Franchise

First and foremosot, this company has a provincial franchise based on an agreement made with the city of Toronto. This agreement in a most admirable manner strikes a balance between community interests and rights of company shareholders. It was early recognized that from time to time the company would need new capital to serve its constituency, and so by a sliding rule it was provided that price of gas would be regulated to provide the company with sufficient money to pay 10 per cent on the par value of its stock, and that surpluses accumulated in a special reserve from time to time would be used to cut gas rates to consumers. The result has been very considerable and in some periods frequent cuts in rates while at the same time the company extended its business and found in normal times surplus capital eager to take up stock offerings whenever made.

Gas Sales Make Record

Formerly the company sold stock by allotment of "rights" to purchase the new shares in a definite proportion. Because of public campaigning against the issue of "rights" in this manner, the company's right to do this was taken away, and since then it has been open to it to sell stock by tender or auction. Such an offering early this year was all subscribed, but the company accepted tenders for only two-thirds of the $1,250,000 *offering*, feeling that the lower offers in the demoralized state of the market were too low.

The forthcoming annual statement will show that the company sold more gas in the year ended September 30, 1932, than at any time in its history. Because of price reductions dollar revenue will not be the highest, but it is understood that dividends will be covered. This is an excellent showing in view of the increased taxation which the company has encountered after making the latest price reduction.

Working Capital Strong

The company's constantly increasing capital stock outstanding is accompanied by a balancing increase in income, assets and dividends. In 1921 capital stock was $6,000,000 and at the end of 1931 $13,250,000, but net income also advanced in the period from $934,320 to $2,190,641, dividends from $581,338 to $1,325,000, property from $11,328,442 to $21,116,732, working capital from a deficiency of $120,801 to $2,824,007, a striking advance in current financial strength. Reserves in the same period advanced from $3,819,654 to $10,105,741, net tangible assets from $9,819,654 to $23,582,555. The number of meters installed in this ten-year period ran up from 127,555 to 170,830. Gas sales as measured in dollars fluctuated back and forth because of the policy whereby surpluses of one year are placed in a special reserve to be applied in reduction of gas rates. This failure of gas sales to show a dollar increase was somewhat balanced by an increasing revenue from the sale of residuals and is altogether made up for by the fact that if revenues of the company fail to be sufficient in any year for paying dividends at 10 per cent, rates may be advanced sufficiently to make up the difference.

This stock sold in the depression year of 1921 at 75 high and 62¾ low and in 1932 to date at 175 high and 142 low, the latter low being shown in the time of utter demoralization of markets last Spring. Current yields have been around 5.7 per cent, which is around the level of good corporation bonds.

Expanded During Depression

The company's future at the moment looks bright in view of the fact that it has been able to expand its business in the worst depression of this century. There has been a decided trend in its territory towards the use of hydro-electric power for cooking, heating and lighting but it has had no effect on the company's revenue so far as earnings on common stock are concerned. The trend toward power apparently does not close the door for the company. Uses for its gas and residual products are continually expanding in industry and new devices for more economical use in the home have also enabled it to hold its own there to an extraordinary extent.

Management is Alive

The use of and the need for gas have advanced considerably in the last ten years in various parts of the continent, and though much of the expansion is on the basis of cheap natural gas the artificial gas industry is anything but a blind alley for funds. Research and enterprise have been as active in that field as in others, and it is expected that gas and hydro-electric power will eventually establish pretty well the borders of influence beyond which encroachment by one on the preserve of the other ceases to be economical.

Management of Consumers Gas is alive to the company's peculiar problems, is sedulous in fulfilling every item of its contract with the city and at the same time enterprising to push interests of the shareholders.

Canadian Mausoleums

Will you please give me a report on Canadian Mausoleums, Ltd., as to financial standing and business success? The company failed to meet interest due on its bonds on Sept. 1.

O. M. Trano, president of Canadian Mausoleums, informs The Financial Post that failure to meet interest due on September 1 was caused by inability to collect full amounts due on installments for crypts in various mausoleums sold. He fully expects interest to be paid before or by January 1, 1933.

There are two types of bonds outstanding: the 7 per cent bonds due in 1938, of which $92,000 were issued and there remains outstanding $34,000; and the 6 per cent bonds due in 1943, some $200,000 being outstanding after redemption of about $30,000 bonds.

The bonds were issued direct by the company and are secured by first charge on certain mausoleums held by trust company. They are retirable as crypts are sold and it is expected that they will be all sold at premium before maturity.

No dividends have been paid for two years.

Canadian Mausoleums' fifth report for the year ended Jan. 31, 1932, showed a total net sales volume of $183,306. Gross profit was $93,185 and after operating expenses of $69,227 there was a profit of $23,959. After interest, adjustment of reserves and depreciation the year's operations resulted in a net loss of $1,049 as compared with a net loss of $16,937 in the preceding year.

Total current assets of $581,429 included an amount of $418,655 for unsold crypts at cost after deducting for losses, an amount of $145,080 for accounts receivable after reserve for losses, $13,309 for bills receivable after reserve for losses and cash of $4,384.

Current liabilities of $191,228 had as principal items bills payable of $61,261, accounts payable of $14,994, accounts payable, not due, of $21,945, cost of completing mausoleums of $76,195 and a number of smaller items.

O. M. Trano, president, on June 2, 1932, in a report to the shareholders stated that these current liabilities showed an increase of $46,146 and the current assets an increase of $60,270 after providing a special reserve of $25,000 in addition to the usual 10 per cent reserve for accounts receivable.

During the year ended Jan. 31, 1932, $11,600 of the company's 7 per cent bonds and $10,600 of the 6 per cent bonds were retired through the sale of the specific crypts by which they were secured. Additional 6 per cent bonds were issued to the amount of $29,800 resulting in a net increase of $7,600 in bonded indebtedness. Of the unsold crypts at cost referred to previously $254,298 were held as collateral security to the 6 per cent and 7 per cent bonds outstanding.

During 1931 Windsor Mausoleum was completed; in 1932 contracts have been let for further work on the Edmonton Mausoleum and the mausoleum at Beechwood Cemetery, Ottawa, is approaching completion. The present policy, as stated by the president, is to consolidate operations until business conditions improve. The company had franchises to build mausoleums in four municipalities, but decided to defer these until conditions improve.

The company had a surplus on Jan. 31, 1931, of $103,629 and on Jan. 31, 1932, of $73,785. The main reason for this drop was the provision of an additional reserve of $25,000 for accounts receivable and the year's loss of $1,049.

In addition to O. M. Trano, president and general manager, the officers include: A. W. Holmested, vice-president, and D. McLean, secretary-treasurer. Other directors than Messrs. Trano and Holmested are: E. V. Barthe, H. W. McMahon and L. L. Anthes, Toronto.

The company reports that it has already built mausoleums in the following communities: Hamilton, with 1,406 compartments; St. Thomas, 641 compartments; Sarnia, 340; Stratford, 340; Kitchener, Protestant, 345; Kitchener, Roman Catholic, 346; Brantford, 364; Belleville, 352; Oshawa, 352; Ridgeway, 240; Fonthill, 295; Woodstock, 370; Ingersoll, 296; Owen Sound, 275; Guelph, 330; Windsor, 659; and Ottawa, 546.

The Protestant Mausoleum at Ottawa is practically completed and a Roman Catholic Mausoleum at Ottawa is to be erected in 1933. It is stated that there are additional franchises for mausoleums at Smith's Falls and at Kitchener, Ont., which will then have its third mausoleum, and at Winnipeg, Man.

Holding Stocks 12 Years

Will you kindly give me a list of bonds and preferred stocks which were considered in 1920 to be very conservative investments but which, at the present time, show appreciable losses?

I should be glad if you would include in this list any bonds and stocks which any conservative investor in 1920 might have purchased with a view to retirement in 1932.

The following securities were considered quite highly on Oct. 26, 1920, but if held throughout the period since then, would have shown heavy losses:

Ames Holden preferred, selling then at 52½; Asbestos Corporation preferred, selling then at 100 and bonds at 77; Canada Steamships preferred, selling then at 74; Dominion Iron preferred, selling then at 75, and bonds at 76; Howard Smith preferred selling then at 101½; Lake of the Woods preferred, selling then at 98½; Maple Leaf Milling preferred, selling then at 94; Riordon Paper preferred, selling then at 90; Spanish River preferred, selling then at 108; Dominion Steel preferred, selling then at 65; Wayagamac bonds, selling at 81.

Some of these, as you will see, still have possibilities for instance, the milling company stocks and Howard Smith preferred.

You ask for another list of bonds and stocks which any conservative investor in 1920 might have purchased with a view to retirement in 1932. Of course, all the Dominion Government direct and guaranteed bonds, the Provincial Government bonds and the bonds of the principal municipalities would appear in such a list. Stocks of the big four banks might have appeared in such a list and the stocks of most of the others as well. Stocks of the leading trust companies and insurance companies and in addition to these, such stocks as Consumers' Gas, Montreal Light, Heat and Power, Bell Telephone, C. P. R., Canadian General Electric, City Dairy, Dominion Bridge, Dominion Textile, Mackay preferred and common, Ogilvie Flour and Steel of Canada stocks; Shawinigan and Ford Motors might also be mentioned.

Even this list shows the advisability of constant revision, because sales of C. P. R., Mackay preferred and common, or the stocks for which they were exchanged, Ford Motors and Shawinigan in certain periods when accumulating difficulties could be foreseen, might have become a conservative procedure; and yet the re-accumulation of these stocks, when these difficulties begin to be overcome, might also turn out to be a good thing.

Canadian Wineries

Will you please tell me what the prospects are for Canadian Wineries?

Canadian Wineries has not been paying dividends recently although they have been earned. One reason is that prospects for business during a depression cannot be considered quite so brilliant as on other occasions. The company is, however, well run, has had good results to date in its sales to various liquor commissions in Canada, and hopes to maintain these. It is actively at work trying to improve its products and on the whole it should give a good account of itself.

The situation from the standpoint of the investor is not quite so sure. Much depends upon the prices which have to be paid for grapes in Canada, on the arrangements made under the Imperial preferences for wines from other parts of the Empire in the incidence of customs duties on raw materials used in the industry and on the public attitude toward the industry. The industry apparently is not worrying about imports from Australia and South Africa unless payment of $40 a ton for grapes, which is understood to have been made a condition by the Ontario Liquor Commission, should make competition more difficult with other liquor commissions. Apparently this company has as good a chance as any.

Service Stations

I have a $500 bond of Abitibi Power & Paper, a $500 Port Alfred Power & Paper bond since converted into Consolidated Paper and also a $500 bond of Beauharnois Power Co. These are the only bonds I have and all defaulted in their interest payments, as the brokers are quoting low prices. I have an idea there are other better bonds or preferred or common stocks that should appreciate in value as business recovers, such as Service Stations preferred, or any other security you could recommend that I would stand a better chance in recouping my losses as I am only a working man and can ill afford to stand such a loss. I know you will say I ought to have had my money in government bonds. The reason I did not was that I thought the government would convert them into four or 4½ per cents.

Service Stations preferred stock is in the situation that it must await a real revival of prosperity among the large oil companies of this continent. The company's largest business is in service station equipment, and low prices for gasoline and other oil products have made it necessary for the big companies in the United States to conserve their funds. They, therefore, have not been investing in service station equipment to the same extent that they were in 1929 and early in 1930. Service Stations is believed to be in the strongest position of any company in the United States or Canada which is doing a similar business. It has a strong working capital position, but nevertheless improvement in earnings must await better times for its customers.

It is possible that some of your defaulted bonds may improve in position with returning prosperity. It will naturally take some time for the newsprint industry to get on its feet again, but that apparently is your best hope as compared with the companies mentioned in this letter.

Massey-Harris

Would you sell a weak stock such as Massey-Harris, and Paramount Publix, which I bought two years ago at high levels, at present low prices in order to reinvest in other more promising values?

Prospects for Massey-Harris stock must tag along after improvement gets well under way on farms of Canada and the world. It took the company three or four years to recover from the losses made when prices tumbled in 1921. When the revival begins on the farms again it may take a similar period before the company is once again in a position to show profits on transactions.

Paramount Publix has been showing an improving position recently on the basis of new films which it has started out in New York and intends to exhibit all over North America. The company has had in the last year or two a very tough experience, partly because of the depression and declining attendance at movie theatres and partly because of engagements to buy back its own stock at a price many times the present market value. It has made every effort to fulfil those obligations and apparently is in a good position to recover if more active business conditions and increased employment were to come during the present winter.

Investors Syndicate

I have been interested in a plan offered by Investors Syndicate. Can you tell me if this is a reliable company and advise me of the security of their financial position?

Investors Syndicate has been selling its certificates to investors ever since its formation in 1896 or thereabouts. On the basis of funds received from the sale of these certificates the company's balance sheets from year to year have shown expanding investments through all these years. These balance sheets show their liabilities to certificate holders fully covered.

The company does business all over the continent and the major part of its resources has been invested in mortgages. The Financial Post is informed by the company that most of these mortgages have been negotiated on a monthly payment and amortization basis, and that arrears are not serious. The company's affairs are audited by a New York firm which is responsible to the shareholders. The company's affairs are inspected by the Securities Commission of Minnesota where its head office is, and most states and provinces where the company does business exercise some sort of supervision. This provincial supervision very often takes the form of requiring a deposit sufficient to cover the liability under these certificates to depositors. The requirements differ from state to state and province to province.

The advisability of buying or not buying these certificates depends altogether on the situation of the investor. It is not wise to undertake these contracts if the investor cannot see his way through the whole ten-year period to make payments. If he were to drop the payment within two or three or four years the amount due him would not be sufficient to repay him the amount which he has paid in installments. In fact, this is one of the sales points of those who sell the certificates that saving is forced and people have to continue in most cases. There are of course, a number of clauses which permit people who are in default for a certain period to continue this plan of saving, but on the whole one should not rely on anything except the probability that he will be able to earn during the whole period of the contract.

Consumers Gas

I am a salaried man and have had two reductions in the last year. I have about $1,000 to invest and would appreciate your advice. Would you advise me to buy five Consumer's Gas at about 173 or should I buy $1,000 Ontario 5½, 1947?

My portfolio is extremely limited and so may be disregarded.

You would receive a dividend yield of 5.8 per cent on your Consumers' Gas stock if you purchased at 173 whereas at the current level for the Ontario 5½'s due 1947 you would receive a yield of about 4.91 per cent. The difference of nearly one per cent in income in favor of Consumers' Gas is due to the higher reputation for safety which government bonds have over even the best company securities. It is realized that if Consumers' Gas revenues were to fall below 10 per cent for some time it might result in a lower dividend. That eventuality is considered remote in view of the fact that there is an agreement between the city and the company which is embodied in an act of the provincial legislature by which the rates of the company can be raised or lowered to enable it to get 10 per cent for payment of common stock dividends. Excellent management and a good financial policy have been shown through many decades, and it is regarded as a high grade investment stock. Dividend payments have been made for 84 years.

Canada Permanent

I would like your advice on Canada Permanent Mortgage Corporation. Are its debentures a secure investment?

Canada Permanent Mortgage Corporation debentures have been well regarded throughout this century. The company has had an impressive advance in strength, assets and earning power throughout most of the years of its existence. Recent years have been more difficult in the mortgage field, but the company is regarded as sufficently strong and well managed to negotiate a period even of extraordinary difficulty.

Imperial Oil

I would like to have your opinion regarding the purchase of Imperial Oil common stock at current prices. I propose purchasing 100 shares to hold if necessary. Do you think it would be better to purchase Province of Manitoba bonds at 99 which pay a little over 5½ per cent?

Imperial Oil is the leading company in the oil industry of Canada and its financial standing is one of the best in the country.

Currently, it is understood that the company has covered its 50 cents a share annual dividend, but the company depends for 60 per cent of this dividend on earnings outside of Canada. Its principal subsidiary, International Petroleum, controls large tracts of oil-producing territory in Peru and Colombia. Operations there are necessarily somewhat affected by the political disturbances which are always current in a time of business depression, and by the low prices which have come about in the world because of the demoralization of the oil industry. The company's prices have been based on mid-continent prices from the United States and those comparatively low prices have only been maintained as high as they are by severe curtailment measures. If these curtailment measures continue to be successful until consumption catches up or nearly up to potential producing capacity of crude oil wells of the world, then the situation of this stock becomes very interesting. Imperial Oil, so far as its domestic business is concerned, can be expected to progress in about the same measure that Canada does. The company covers the whole Dominion from coast to coast and even up close to the Arctic and is in a position to profit when business conditions become more active. It has been, throughout its past history a good company for the investor to be represented in. It is impossible, under present conditions, however, to state under the severest competitive conditions known, how well earnings will stand up in the immediate future. The long view, looking beyond the present difficulties of the industry, looks good.

Province of Manitoba bonds give a definite realizable return, the province has never defaulted on the servicing of its bonds, and therefore the purchase of that bond would be considered in investment circles a conservative action.

Cockshutt Plow

What is the equity of Cockshutt Plow common stock? The company appears to be fairly strong in spite of the difficult period.

The equity of the 288,600 no par value common shares of the Cockshutt Plow Company was $47.20 on Nov. 30, 1931, the end of its last fiscal year. This is naturally a point of interest to the investor who is willing to take a long chance and hold stock for a considerable period. The company was in a strong financial position at the end of that time but had more than $3,500,000 in accounts and notes receivable to collect and inventories even larger than this to dispose of. It also had a bank loan of $1,409,218.

One has to keep his eyes on the customers of the Cockshutt Plow Company at the moment, rather than on the financial strength and affairs of the company itself. It had a loss in the last period for which information is available and profits cannot be expected until farmers are earning enough on their products to be able to spend money for farm implements and machinery. Considerable adjustments have been made, but not sufficient as yet to justify commitments of importance in stocks of agricultural implement companies. When matters begin to improve materially for farmers then the equity on Cockshutt Plow common and its financial strength will become matters of importance.

Burns and Ford

One of our clients is the owner of $1,000 bond of Burns & Co. Ltd., 5½ per cent, 20-year first mortgage, payable 1948, for which he paid around $900.

He has been advised to sell this bond at the current market price and buy Ford of Canada or Imperial Oil, both common stocks.

We would be obliged if you will advise us as to the prospects of Burns & Co. Ltd. bondholders realizing any better return than the present very low quotation of around 25, and the prospects of the company from the bondholders' point of view.

We would be glad if you would care to express an opinion as to the merit of effecting such an exchange for Ford or Imperial Oil common stock as outlined above.

Burns & Co. position would be greatly improved by better prices for farm products in Western Canada and quickening business in the towns and cities. In such a case improving business for Burns & Co. might enable it to resume bond interest and the bond's market value would go up. The company proved that in pre-depression years it was capable of making good earnings.

Ford of Canada had a wonderful record of earnings and profits until it found it necessary to change over from the old car to the new one. That change was absolutely necessary if the company was to maintain its position in the industry, but it required the expenditure by this company and its parent and affiliated companies of hundreds of millions of dollars. The change was made and for a year or so the company made good money again. The present depression, which has brought automobile buying down to a lower level than would have been conceived possible a few years ago, has limited earnings and caused dividends to depart.

The company's strong financial position, its powerful affiliations in other countries and the high quality of engineering ability which it has been able to command give reasons for hope for the future. When cars are selling in good volume again it can be expected that this company will be having its share, at least. No one can foretell the changes in design and the effect which new cars yet unborn may have on the market from time to time. One who purchases the stock does so because of the company's record and because of the expectation that it will be in the market with every latest device which can improve the selling points of the cheaper cars.

Imperial Oil is the leading oil company in Canada. Its domestic business has kept up very well through the depression, but it must be remembered that 60 per cent of its 50 cents a share dividend comes from outside Canada. Its greatest foreign earnings come from International Petroleum which operates both in Peru and Colombia. That company's production and prices must be in accord with those charged in the mid-Continent area of the United States where it can get its share of the business. It has always met those prices to date and it is limiting its production in line with policies adopted the world over.

This company stands to gain when business conditions get better and when the trend toward increasing automobile sales and growing use of gasoline and other crude oil products becomes very emphatic again, the holder of the stock would benefit. It is one of the strongest companies financially in Canada, and one buying the stock now would do so because of his belief that it can weather almost any financial gale.

Beauharnois

I hold some of the collateral trust bonds of Beauharnois Power Corp. Would you be good enough to tell me what the position of the company is at present. I understand that the company is now producing power.

The Beauharnois Power bondholders' protective committee have successfully devoted their energies to bringing the first stage of the project into production. Its future plans have not been announced but it may be assumed that the Committee will now try and work out some solution to the financial problems of the company. As you know banks have advanced over $14,000,000 and these loans are secured by first mortgage bonds of twice that amount which rank senior to the collateral trust bonds. Further funds are required to complete the development and the raising of this money constitutes a problem. Some announcement may be expected in this regard in the relatively near future.

Beauharnois is producing sufficient power to enable it to live up to its contracts with Montreal Power and the Ontario Hydro Commission which came into effect October 1.

Paramount, B. A. Oil

I hold Paramount Publix, Imperial Oil and B. A. Oil, common stocks, bought at higher prices. Should I hold or sell?

Paramount Publix securities will not be in a good condition until the company has demonstrated that it can make money even under present conditions with the new plays made at Hollywood and which it is now offering. Some improvement has been reported from various parts of the United States but one will need the whole year to be sure. The company has negotiated some very difficult obstacles in the last year with the help of the bank, but earnings must become high again before the stock can be regarded as secure. Up to August loss was the rule rather than the exception in the moving picture business.

B. A. Oil has just received permission from the shareholders to issue debentures in order to consolidate bank loans and various capital expenditures made in the last year or so. Competition is very severe but up to the present the company has maintained under good management, a rate of earnings sufficient to look after dividends.

Imperial Oil is the strongest company in the oil industry and financially one of the strongest among Canadian companies. The growing competition in Canada and behind that the world demoralization of the oil industry are the big clouds on the horizon.

Canadian firms requiring London (England) address and representation. For the small sum of Twenty-five dollars per annum you can have name of firm displayed, address, catalogues filed, small samples exhibited, and complete London Office service in one of the largest up-to-date offices in Kingsway (Strand). All communications treated confidentially. Write or cable Mr. Hepburn, 52 Swinton St., London, W.C. 1, England.

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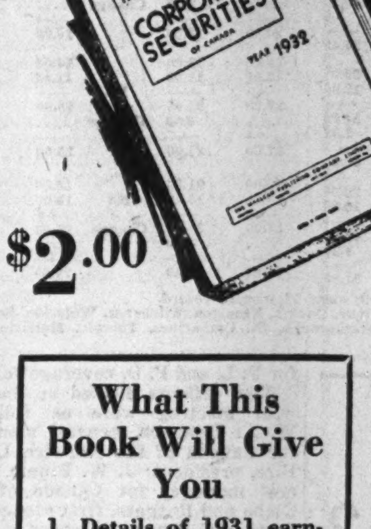

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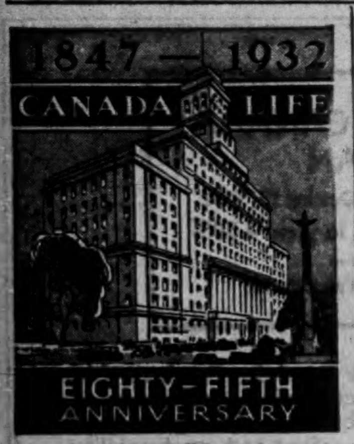

Winnipeg Actuaries Club Holds Annual Meeting

At the annual meeting of the Actuaries Club of Winnipeg, C. C. Sinclair, assistant actuary of Great-West Life Assurance Co., was made chairman, and W. T. Watson, assistant actuary of Monarch Life Assurance Co. was elected secretary-treasurer.

There are seventeen actuaries in Winnipeg qualified for membership, the requirements being either associate or fellow of one of the recognized actuarial societies. Subjects of interest to the profession will be discussed at the monthly meetings of the club during the winter.

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Careful Ontario Drivers to Get 10 Per Cent Discount

BIG RATE CHANGES

Automobile Premiums to Be Lower For Majority of Ontario Drivers in Few Weeks

Radical revision of automobile insurance rates in Ontario with lower premium rates in most groups and territories and introduction for the first time in tariff company history of a "bonus" system for good drivers in Ontario, featured the annual meeting of the Canadian Automobile Underwriters Association at its annual meeting held in Montreal recently.

The new rates will come into effect as soon as the details can be worked out—probably some time between now and December 1. Slight downward revision was also made in the Maritimes but no change (as yet at any rate) has been made in Quebec rates.

Bonus Is 10 Per Cent

Innovation of a 10 per cent bonus to insured drivers in Ontario who have a clear record as far as claims or O. R. A. infractions are concerned, is an important step and is in line with recommendations of the late Justice Hodgins who recommended that some form of de-merit rating be introduced for penalizing careless drivers. The new plan gives a 10 per cent discount from property damage and public liability premiums and applies to all passenger automobiles not part of fleets, where the driver has previously been insured and has a clear record in so far as claims and accidents are concerned.

Officials of the Automobile Association claim that between 85 and 90 per cent of all automobile drivers will be eligible for this discount on the basis of past records of automobile insurance in Ontario.

Highlights of Changes

Highlights of the changes in rates approved by the members at their annual meeting are as follows:

1. **Public Liability**—rates increased approximately 15 per cent in all territories except rural and Northern Ontario where they remain unchanged.
2. **Property Damage**—rates decreased approximately 15 per cent in all areas except Northern Ontario and in the 18 medium sized cities of Ontario known as territory "B." In both these areas rates remain unchanged.
3. **Collision**—all rates dropped approximately 20 per cent in all territories except Northern Ontario where the rates remain unchanged.
4. **Theft**—all rates cut 20 per cent in all territories except Northern Ontario where rates remain unchanged.
5. Fire—no change in rates.

Most Rates Lower

Net result therefore for the majority of Ontario drivers if they can qualify for the bonus or discount will be a reduction in premiums. This is borne out by the table reprinted herewith and which indicates for typical automobiles in the small, medium and high-priced fields, what the net result of the changes in property damage and public liability rates will be. It must be remembered that in addition to the changes outlined in this table, both theft and collision rates will be lower by 20 per cent in all territorial divisions excepting Northern Ontario.

Irrespective of the bonus, drivers in the "big city" territory, which includes Toronto, Hamilton and Windsor, will find their P. L. and P. D. premium rates unchanged, while those located in the 18 cities grouped as territory "B" for underwriting purposes, will find premiums in these two classes higher by from $2 to $3. Drivers in small towns and in rural Ontario will get a nice reduction in the cost of their insurance, irrespective of whether they qualify for the bonus or not.

The 18 cities which are grouped as territory "B" in the Ontario manual are: Brantford, Fort William, Port Arthur, Guelph, Kingston, Kitchener, Waterloo, London, Niagara Falls, Oshawa, Ottawa, Peterborough, St. Catharines, Thorold, Merritton, St. Thomas, Sault Ste. Marie and Stratford. All other municipalities in Ontario qualify under group "D," unless they are in Northern Ontario.

The changes in rates as soon as they become effective will apply to all policies new or renewed after the date at which they come into force.

Excess Coverage Lower

Another change which will also become effective with the new rate schedule is a slight downward revision of rates where the standard limits of $5,000 and $10,000, in the case of public liability, are increased. This change will apply to both private and commercial vehicles. A further change in the charge for excess public liability coverage will probably be made in the near future in regard to public vehicles, some rates being apparently due for downward revision and others for an increase. No details of this change have been worked out as yet, it is said.

One additional result of the annual meeting was the decision to allow a pro rata allowance in territory "D" (small towns and rural Ontario) where a policy which has been in force six months or more is being cancelled. Heretofore such a policy was short-rated and for a policy in force six months for instance the policyholder in case of cancellation had to pay 60 per cent of his annual premium for the half-yearly cover. Now he will pay but 50 per cent plus 5 per cent or a net cost of roughly 52½ per cent.

Attendance at the meeting was highly representative of the 107 companies now members of the association. In all, representatives of more than 85 companies were present at the annual conclave.

New and old rates on typical cars for P. L. and P. D. coverage follow:

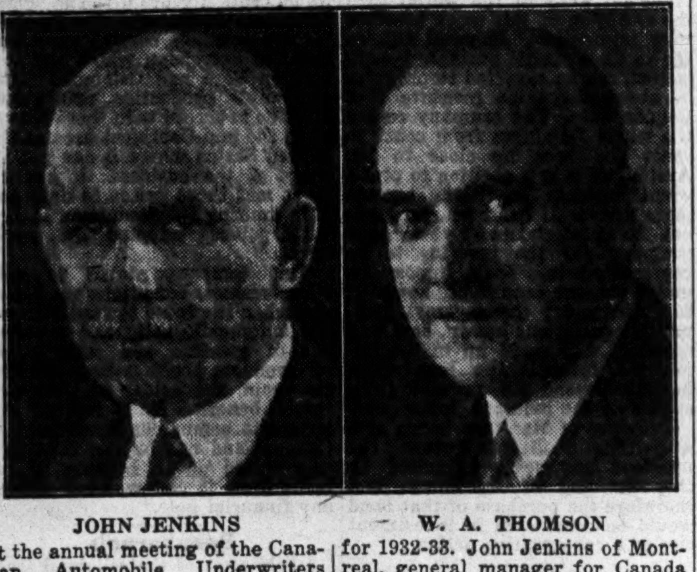
COMPARATIVE AUTOMOBILE RATES FOR P.L. & P.D. IN ONTARIO

	(A) Toronto, Hamilton, Windsor Old	New	(B) 18 Cities† Old	New	(C) Northern Ontario	(D) Small Towns & Rural Areas Old	New
Ford							
Public liability	$15.00	$17.00	$11.00	$13.00		$10.00	$10.00
Property damage	11.00	9.00	9.00	9.00		8.00	6.00
	26.00	26.00	20.00	22.00	No	20.00	16.00
Less 10% bonus*	....	2.6	....	2.20	Change	....	1.60
	26.00	23.40	20.00	19.80		20.00	14.40
Buick							
Public liability	19.00	22.00	15.00	18.00		14.00	14.00
Property damage	15.00	12.00	12.00	12.00	No	11.00	8.00
	34.00	34.00	27.00	30.00		25.00	22.00
Less 10% bonus*	....	3.40	....	3.00	Change	....	2.20
	34.00	30.60	27.00	27.00		25.00	19.80
Packard							
Public liability	23.00	26.00	19.00	21.00		16.00	16.00
Property damage	19.00	16.00	15.00	15.00	No	13.00	10.00
	42.00	42.00	34.00	36.00	Change	29.00	26.00
Less 10% bonus*	....	4.20	....	3.60		....	2.60
	42.00	37.80	34.00	32.40		29.00	23.40

*Applicable to insured drivers with clear 12 months record.
†Brantford, Fort William, Port Arthur, Guelph, Kingston, Kitchener, Waterloo, London, Niagara Falls, Oshawa, Ottawa, Peterborough, St. Catharines, Thorold, Merritton, St Thomas, Sault Ste. Marie, Stratford.

New officers elected at the annual meeting were as follows: W. A. Thomson, general manager for Canada of the Norwich Union Fire, president; J. W. Binnie, general manager for Canada of the Globe and Rutgers, first vice-president; L. C. Evans, secretary of London & Lancashire G. & A., second vice-president. J. H. King was re-elected secretary of the association and R. N. Cornish, secretary at Montreal.

Head Casualty and Automobile Associations



JOHN JENKINS — W. A. THOMSON

At the annual meeting of the Canadian Automobile Underwriters Association recently, W. A. Thomson, general manager for Canada of the Norwich Union Fire, was elected president of the association for 1932-33. John Jenkins of Montreal, general manager for Canada of the Employers' Liability Assurance Co., was elected president of the Canadian Casualty Underwriters' Association.

Canadian Casualty Assoc. Elects New Officers for '33

At the annual meeting of the Canadian Casualty Underwriters' Association held at Montreal recently, John Jenkins, of the Employers Liability Assurance Corp., was elected president of the 1932-33 period.

H. W. Falconer, general manager of the Dominion of Canada General Insurance Co. was elected first vice-president and H. F. Roden, of the Canada Accident & Fire, of Montreal, second vice-president. J. H. King was re-appointed secretary-treasurer of the association and R. N. Cornish, secretary at Montreal.

Only routine matters were discussed at the meeting it was reported.

Insurance Inklings

DR. W. L. MANN, chief medical referee of Great-West Life Assurance Co., is visiting the company's branches in Eastern Canada and the United States. He will also attend the inter-state meeting of American College of Surgeons at Indianapolis and the meeting of the Association of Life Insurance Medical Directors in New York City.

A VALUABLE LESSON, BUT HAVE YOU PROFITED?

ONE of the most valuable lessons learned from the period of readjustment through which we are passing is that the management of financial affairs requires experience and skill beyond the scope of most individuals.

As a result of this lesson many a man with sound business instincts has placed all or a part of his affairs under the administration of a competent corporate trustee either in a trust account or in a management account.

We shall be glad to explain to you these methods of conserving your resources. Personal interviews are welcomed.

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DWELLINGS BLAMED FOR ONTARIO LOSSES

Fire Marshal's Records Show Big Increase in House Fires

Ontario's fire loss in September, 1932, totalled $2,284,514, an increase of $680,500 from the same month in 1931, according to figures given out by the Ontario fire marshal. Of the total loss, $1,939,722 was covered with insurance.

Comparative figures for the first nine months of the year show that fire loss has cost Ontario $11,616,745 this year as compared with $11,445,843 in the same period a year ago. This represents an increase for the first three-quarters of the year of $170,902.

Feature of the fire loss record for the first nine months when analyzed according to leading classes of risk, shows that dwellings continue to be the greatest source of loss, there having been 8,699 dwelling fires, costing nearly $3,000,000, in the first nine months of 1932 against 7,954 with a loss of $2,517,000 in the same period of 1931. This is an increase of 745 fires and an increase in loss of $455,332. Store fires were more numerous and cost $460,400 more than past year while losses in both factories and barns were lower.

Most of the large fires in September were in lumber properties.

Comparative figures follow:

Loss for Four Leading Classes of Risks for 9 Months

	1932 No.	Loss	1931 No.	Loss
Barns	626	1,465,648	794	1,872,688
Dwellings .	8699	2,972,010	7954	2,516,678
Stores	929	2,625,496	898	2,165,073
Factories ..	269	1,290,370	284	1,785,029

IMPERIAL LIFE CO. WINS U. S. AWARD

Advertising and Conservation Receive Recognition at New York

Important awards were gained by Canadian life insurance companies at the Insurance Advertising Conference which held its tenth annual meeting in New York City this month.

Major honors went to Imperial Life Assurance Co. which carried off the first award for advertising in publications of general circulation; that is, the companies' newspaper advertising. This company also received the I. A. C. Conservation Cup, a trophy given annually to be held permanently by the company winning it in recognition of the high standard of its conservation literature. Great West Life Assurance Co. gained third place in the competition for newspaper and magazine advertising.

Press advertising for which Imperial Life received its award included a group of advertisements which appeared in 42 daily newspapers across Canada. These included 18 large sized ads. and 18 small ads. which were published subsequently in each case. This is the first time Imperial Life has received first award in this group.

Toronto Insurance Inst. Starts 34th Session

Insurance Institute of Toronto held the opening meeting of its thirty-fourth sesison on Thursday, Oct. 27, at which W. H. Burgess, president of the institute, delivered his inaugural address, and Prof. A. T. DeLury, dean of the Faculty of Arts of the University of Toronto, spoke on "The Drift of Things."

Six more meetings of the institute are to be held during the session including a social evening on Dec. 9 next, and the annual meeting in June, 1933. The next meeting is to be held on Nov. 17, 1932, and will be featured by an address on "The Trust Option in Life Insurance," to be delivered by Terence Sheard, B.C.L., estates officer of the National Trust Company, Toronto.

Insurance Ad. Men Discuss Life Insurance Week for '33

Possibilities of a life insurance week to be held in 1933 in conjunction with a similar project in the United States were favorably discussed at the annual meeting of the Life Insurance Advertisers' Association held at Toronto last week.

For three years now some companies have sponsored a life insurance day usually celebrated in January. The new idea comes from the United States and is understood to have been favorably received by the advertising representatives of Canadian life companies.

Guest speaker of the convention was J. G. Parker of the Imperial Life who spoke on the early history of life insurance and the security and stability which it had achieved in spite of a great war, a great epidemic and a great depression.

Sask. Retail Merchants Switch to Trans-Canada

Retail Merchants' Association of Canada in Saskatchewan has given notice of the termination of its contract covering a working arrangement between the organization in this province and the Northwestern Mutual Fire Association of Seattle, according to W. L. MacQuarry, secretary of the Association for Saskatchewan.

For many years, this company has been the insurance department for the Retail Merchants in Saskatchewan.

According to Mr. MacQuarry, when the necessary thirty days' notice to the Northwestern Mutual has expired, the Saskatchewan retailers plan to enter into a contract with the Trans-Canada Insurance Co. of Montreal.

Current Banking Events

LECTURE GROUPS, STUDIES AT HOME BENEFIT BANKERS

Canadian Bankers Association Sponsors Two Courses

Courses of instruction for bankers throughout Canada and for members of Canadian bank staffs outside this country are now getting under way for the 1932-1933 season. In previous years, banks and employees have seen and felt the benefit of these courses, which, while not guaranteeing advancement to the successful student, certainly enhance his prospects.

The courses sponsored by the Canadian Bankers' Association, and operated through Queen's University, the University of Montreal and Shaw Schools, Ltd., are those most generally followed by members of Canadian bank staffs. These lead to the Associate's degree, (A.C.B.A.) and the Fellows' degree, (F.C.B.A.), the latter being the senior of the two. In addition to these courses lectures are given through the University of Toronto and through McMaster University in Hamilton, besides "dinner lectures" at Winnipeg and at Toronto, all of which are sponsored by local bank groups.

For Employees Only

The courses offered on behalf of the Canadian Bankers' Association are available only to employees of Canadian chartered banks and are endorsed in the strongest terms by the general managers of all these banks. In fact the banks are convinced that all who complete these courses are better bankers for it and offer substantial inducements to employees who complete either the Associates' or Fellows' course. It is understood that the inducement is usually in the form of remission of fees for successful students. The fees for each of the courses are the same, $50 if paid in advance and $55 if paid in installments, so that this concession is well worth consideration.

Correspondence Course

The C. B. A. courses are conducted by the correspondence method, and the study is done by the student at home. Only in this way, of course, could the instruction be made available to the hundreds of widely scattered bank employees who enroll each year. Printed lessons are sent to each student giving clear instruction in each subject. Each lesson contains a number of questions and requires a number of written answers which are read, corrected and returned to the student. Such written comment gives valuable direction to the student. Examinations are held each June, with supplemental examinations in August or September, usually at the place where the student is employed by the bank. In 1932, examinations were actually held at 613 points, 36 of these being places outside Canada.

Two Years For Each

Successful students take two years on an average to complete the Associates' course and the same length of time to complete the Fellows' course. Wide individual freedom is allowed, the student being able to enter the course at any time during the year, to study the subjects in any order he wishes, and to submit the written exercises at his most convenient time. It is generally reckoned that the student in the Associates' course spends about 20 evenings on each of three subjects, or 60 evenings from October to May.

Prospects are for a large enrolment during the present season, it being generally the case that more interest is shown in this type of self-improvement during periods of stress. The following table indicates the greatly increased interest in these courses in recent years.

Enrollments for C.B.A. Courses

Course	1929-30	1930-31	1931-32
Associates	789	995	1322
Fellows'	203	268	232
Admitted to C.B.A. Degrees			
Associates	171	320	330
Fellows'	28	33	54

By co-operation of the banks with the University of Toronto, The Toronto Bankers' Educational Association is now starting its fourteenth year of continuous operation of its courses given under the aegis of the University of Toronto, through Prof. C. N. Cochrane, M.A., tutorial secretary. These courses consist of lectures divided into nine sections, Economics of Money and Banking, Current Financial Problems, Commercial and Financial Law (two sections), Problems of Commercial Law, Law of Money and Banking, Modern Governments and Public Finance, Canada and World Trade, and Public Speaking and Debating. The lectures are given by members of the faculty of the University and others who are recognized authorities on their subjects.

Attendance High

Some 195 students have enrolled for the current season compared with record high of 247 for 1931-32, and an average of about 170 over the last 13 years. Average attendance at the lectures last season was 82.1 per cent. Prospects for the current year are good, although enrolments are not up to those of the two previous seasons.

This type of instruction is entirely different to that given under the C. B. A. system. It divides the classes into groups of 15 or 20 in each subject and gives them personal instruction by qualified lecturers. The fee for these lectures is $10.

McMaster University at Hamilton is the scene of lectures for bankers conducted by Prof. H. Michell on somewhat similar lines to those conducted by the University of Toronto. The total enrolment of 80 or 90 is divided into senior and junior sections, and instruction is given in classes of some 15 to 20 members so that the full value of the personal instruction of the lecturer is felt. These classes are arranged with McMaster University through the Hamilton Clearing House, and are given at a fee of $5 for each student.

The Winnipeg Bankers' Lecture Club gives several dinner lectures each year, and has recently held its annual meeting in preparation for the coming winter season.

Banks Closed Eleven Branches In September

After a temporary lull during August, closings of Canadian branch banks continued at a moderate pace during September. There were eleven branches closed during the month and none opened.

Four branches were closed in Saskatchewan and three in Ontario, while one branch was closed in each of British Columbia, Alberta, Manitoba and Quebec. This brings total closings since the end of 1931, up to 163, and reduces the total branches of the Canadian chartered banks to 3,988 in Canada, Newfoundland and elsewhere.

The eleven closings were spread over eight banks, the Bank of Toronto closing three, the Bank of Montreal two, and the Canadienne Nationale, Provinciale, Nova Scotia, Imperial, Commerce and Royal one each. Of the branches closed all were in country points except one in Calgary and one in Toronto.

Bank Chat

Canadian Bank of Commerce announces the following changes in regard to bank branches:

EASTMAN, QUE.—This sub-agency to the Magog, Que., branch will continue to operate on Tuesday and Friday of each week throughout the year.

MARTINVILLE, QUE.—This sub-agency to the Coaticook branch was closed on Oct. 18 for the winter months.

J. A. BAXTER, formerly accountant at Guelph for the Bank of Nova Scotia, has been appointed assistant manager at Hamilton, Ont.

T. WILSON, formerly manager of the Bank of Nova Scotia at Woodstock, N.B., has been appointed manager at St. Stephen, N.B., to succeed H. J. Gordon who has been granted leave of absence.

R. C. SILLERS, formerly of the relieving staff of the Bank of Nova Scotia has been appointed accountant at Guelph, Ont.

W. A. PATTERSON, formerly manager of the Strathcona, Edmonton South branch of the Imperial Bank, has been appointed manager of the Amherstburg, Ont., branch. He succeeds the late C. A. CUDDY who died recently.

Bank of Montreal branch at Holstein, Ont., is being operated on a three-day schedule, namely Monday, Wednesday and Friday. MR. REVEN, manager of the branch, has been transferred to Bowmanville and MR. COX, of Mount Forest. MR. BUCKMAN will be in charge.

Foreign Exchange

CANADIAN dollars, in terms of the U. S. unit, declined to a point just above the 90 cent level on Oct. 31 and United States funds rose from 8¼-8½ to 10⅛-10⅜ per cent premium during the week. The immediate reasons for this decline of approximately 2c. in the New York valuation of the Canadian dollar are not apparent, but it would seem that it was, at least in part, a normal reaction from the sudden advance in the previous week.

The new government loan has probably been one of the chief factors in the unsettled demand for Canadian dollars in the last two weeks. Funds were in demand in some quarters to take care of exchange purchases necessitated by external institutional demand for certain large blocks of the bonds. This factor of strength in Canadian exchange is not operative now as most of the later offerings of the loan have been absorbed internally.

While export demand for Canadian wheat has continued strong, the exceedingly low prices, at which shipments have been made, have to a large extent offset the favorable effect of this normal seasonal influence on the Canadian dollar.

FOREIGN exchange markets were featured during the week by renewed weakness in sterling which fell to $3.28½ in New York and $3.63 in Montreal and Toronto. This drop of the pound in terms of the U. S. dollar was considerably greater, proportionately, than the decline in the Canadian dollar.

Continuation of sterling's weakness has again raised the question of the present valuation of $4.40 for the pound, which is taken as the value for the purpose of levying dumping duties. This figure is now 77 cents above the current sterling rate and is considered out of line. It is reported that the British Government has brought this altered condition to Ottawa's attention, and that the probable result will be a new arbitrary figure substantially nearer the $4 mark.

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Oct. 25 ...	10	9 5-8	11 1-4	11 1-8
Oct. 26 ...	10 5-8	9 1-4	11 1-4	11 1-8
Oct. 27 ...	11 1-8	10 1-2	11 1-4	11 1-4
Oct. 28 ...	11 3-16	10 5-8	11 1-4	10 1-2
Oct. 29 ...	10 11-16	10 1-2	10 3-4	10 1-2
Oct. 31 ...	10 7-8	10 1-2	12	10 3-4

Sterling, Francs and Lire
Close Demand in New York

	Sterling	Francs	Lire
Oct. 25 ...	3.30 3-4	3.92 15-16	5.11 3-4
Oct. 26 ...	3.30 1-2	3.93 1-8	5.11 3-4
Oct. 27 ...	3.27 3-4	3.93	5.11 1-2
Oct. 28 ..	3.28	3.92 5-8	5.11 3-4
Oct. 29 ...	3.28 7-16	3.29 13-16	5.11 3-4
Oct. 31 ...	3.28 3-8	3.92 11-16	5.11 1-2

Close Demand in Toronto

Par		Oct. 17	Oct. 24	Oct. 31
5.26	Italian	5.55	5.55¼	5.65⅜
23.80	German ...	25.78	25.79	26.28½
13.90	Belgian ...	15.07	15.07	15.81
49.80	Japanese ..	25.82	5	24.06

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Legal Decisions

Deciding that the closing out of an account by a bank does not release from their obligation any parties who have guaranteed that account, Mr. Justice de Lorimier of Montreal recently rendered judgment ordering Ernest Vipond, H. S. Vipond and P. L. Lemaistre to pay to the Bank of Montreal $2,164.83 with interest and costs.

The judgment set forth that defendants had guaranteed the account of a textile company whose paper the bank was discounting, and the bank claimed from the guarantors the balances due the bank from their customer. Defendants objected that they had agreed to the guarantee on the understanding that the bank would discount the customer's paper. The closing out of the customer's account, they said, had caused the customer to go out of business, and if they had known the bank would not continue the account they would not have guaranteed it.

Monthly Bank Clearings

	Oct., 1931	Oct., 1932
Halifax	$ 12,427,830	$ 10,291,510
Saint John	9,618,474	6,915,278
Moncton	3,244,760	2,793,408
Sherbrooke	3,203,674	2,405,336
Ottawa	28,038,316	17,350,551
Montreal	438,260,992	350,168,963
Kingston	3,206,539	2,128,314
Peterboro'	2,904,964	2,582,991
Toronto	406,641,790	349,130,648
Hamilton	21,248,889	15,440,966
Kitchener	4,756,821	3,887,670
Brantford	3,936,999	3,315,987
London	12,278,252	10,865,609
Chatham	2,030,217	1,705,813
Windsor	11,481,218	8,205,076
Sarnia	1,939,893	1,537,908
Sudbury	2,668,770	1,970,648
Fort William	$ 2,837,274	$ 2,357,562
Winnipeg	215,150,176	220,522,190
Brandon	1,879,892	1,637,829
Regina	19,428,522	21,475,734
Moose Jaw	3,111,788	2,842,787
Saskatoon	8,199,272	7,554,860
Prince Albert ...	1,567,058	1,228,306
Edmonton	19,291,839	17,460,146
Calgary	27,875,487	28,355,453
Medicine Hat ...	1,280,238	1,062,294
New Westminster	3,324,250	1,927,498
Vancouver	64,379,318	53,958,621
Lethbridge	1,827,558	1,574,941
Victoria	8,538,829	5,760,430

Weekly Bank Clearings

	Oct. 29, 1931	Oct. 27, 1932
Halifax	$ 2,251,047	$ 1,759,201
Saint John	2,019,088	1,665,561
Moncton	616,219	712,355
Sherbrooke	619,737	498,878
Quebec	4,494,706	3,363,231
Ottawa	4,776,064	3,727,612
Montreal	76,369,292	68,974,092
Kingston	661,909	468,841
Peterboro	532,722	494,212
Toronto	80,733,125	77,325,844
Hamilton	3,340,431	3,017,792
Kitchener	818,155	720,062
Brantford	746,511	647,277
London	2,302,656	2,358,739
Chatham	440,682	368,112
Windsor	2,156,061	1,776,482
Sarnia	349,116	358,145
Sudbury	570,349	418,183
Fort William	$ 461,183	$ 435,346
Winnipeg	50,255,622	51,846,497
Brandon	341,639	308,712
Regina	4,528,918	4,437,741
Moose Jaw	632,910	683,678
Saskatoon	1,741,206	1,595,542
Prince Albert ...	367,770	258,882
Edmonton	3,874,762	3,297,973
Calgary	6,039,335	6,702,637
Medicine Hat ...	238,494	227,433
Lethbridge	387,802	372,192
New Westminster	498,039	413,743
Vancouver	13,862,145	12,154,184
Victoria	1,397,212	1,146,672

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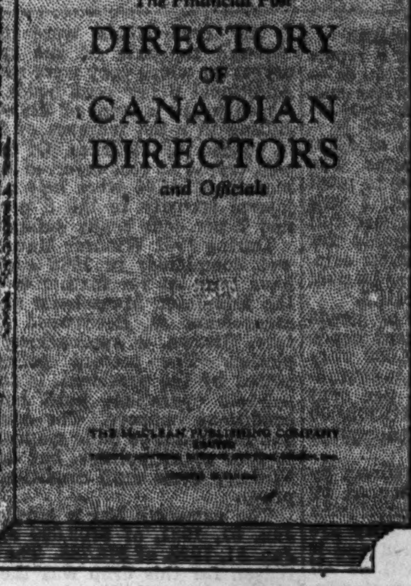
The Financial Post
DIRECTORY OF CANADIAN DIRECTORS and Officials
THE MACLEAN PUBLISHING COMPANY

6,000 Names and Addresses of Directors and Officials of Public Companies in Canada and the Companies they Direct

THE FINANCIAL POST DIRECTORY of CANADIAN DIRECTORS and OFFICIALS 1933

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Canadian Mining News

VENTURES BUSY ON MANY FRONTS RED LAKE LAST

Gold Mills Building at Beattie and Island Lake Properties

Ventures Ltd. through its diversified connections is conducting some of the most aggressive exploration and development programmes being rated in Canada today.

Interest principally centres about the development of the Beattie Gold Mines, controlled by the company, where development and construction is being pushed toward bringing the property into production next spring. A main five compartment shaft is being sunk outside of the ore zone and is currently at a depth of approximately 160 ft. toward its immediate objective of 500 ft. As soon as this depth is reached, lateral work will be undertaken toward opening up the property for initial mining on a scale of approximately 600 tons daily. Coincident with the development programme construction is proceeding on the 600 ton mill. The foundations have been put in and work is now proceeding on the super structure. Some of the heavy mill machinery has already been delivered on the property as the road from the main highway is now completed.

Form Island Lake Mines

Officials of the company told The Financial Post that all work was proceeding according to schedule and that securing of electric power for operation was not giving the company concern. Elsewhere on this page will be found an article on the power situation as it affects Beattie in particular and the northern mining area in general.

At Island Lake, Manitoba, surface work is proceeding. A mining plant and a 50 ton milling mill have been delivered to Norway House, preparatory to delivery to the property over winter roads. Altogether Ventures has approximately 150 claims in the Island Lake area and has caused to be incorporated Island Lake Mines to hold title and develop these claims.

Another charter was recently taken out by Ventures when the Louvècourt Gold Mines was formed to hold title to and develop the Connell group of claims staked last year in Louvècourt township, Quebec, adjoining the holdings of the LeRoy Mines. Surface work has been done and consideration is being given to diamond drilling the property.

Various Interests in Quebec

Other interests of Ventures in northwestern Quebec include shareholdings in the Pascalis Gold Mines where surface work is continuing. At the Beaufort Gold Mines in the same area, drifting is continuing on the 300 ft. level. In Cadillac township Canadian Gold Operators Ltd., in which Ventures own an interest, is continuing drifting westward on the 300 ft. level toward the O'Brien Cadillac property, some 1,500 ft. away.

Ventures also recently optioned the Cochenour-Willans claims in the Red Lake area, about four miles north of Howey Gold Mines. A diamond drill is on its way to the property and an extensive drilling programme is contemplated.

Ventures also has a party remaining in the Great Bear Lake field to continue exploration this winter.

Bralorne Debt Fades As Production Stride Set

Bralorne Mines Ltd. on October 6, 1932, had paid back $143,728 out of $304,636 which had been advanced to it at that date by the Bralco Syndicate, according to reliable information from Vancouver.

A balance of $160,908 remains to be paid off. The company has $38,967 cash in the bank and $24,000 worth of bullion and concentrates in transit.

From February 8, 1932, when the mill was started until Sept. 20 gross revenue from production has amounted to $327,000 and operating expenses $188,000, leaving an operating profit of $189,000.

Probably indicated ore is as much or more as when milling operations were started.

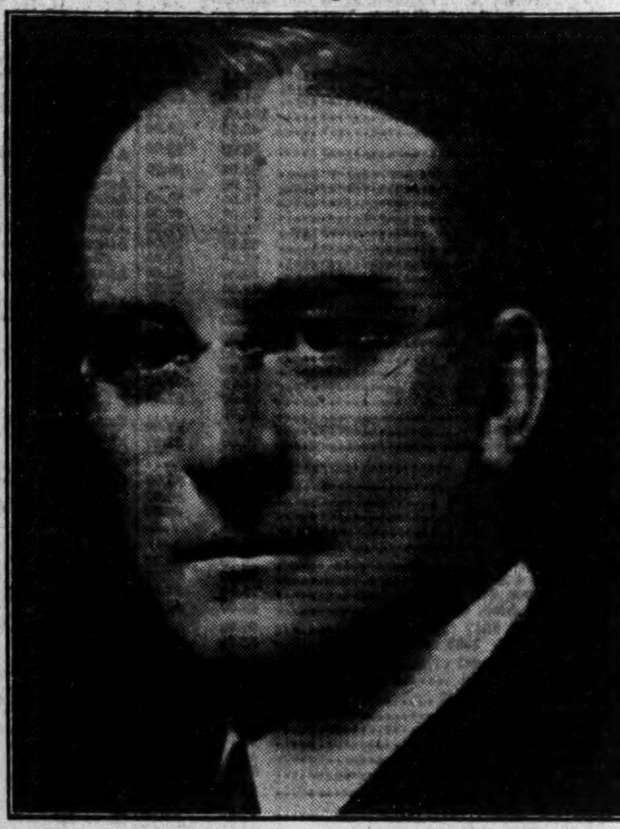
Bralorne, at present rate of production, should be free of indebtedness in about five or six months.

Trail Smelter Receipts

Following is a statement of the ore received at the Trail smelter for the period, Oct. 15 to 21, inclusive:

	Oct. 15 to 21 1932	Year to Oct. 21-32
Bell, Beaverdell	50	1,436
Ben Hur, Republic	42	42
Blackcock, Ymir	..	54
Bosun, Silverton	..	23
Boulder City Group, Salmo	..	120
Carmi, Carmi	50	80
Clubine, Comstock, Boulder Spur	..	24
Dawson, Aurum Siding	..	61
Dynamo, Greenwood	..	2
Eldorado, Bear Lake	..	10
Evening Star, Rossland	..	54
Gold Drop, Greenwood	..	58
Goodenough, Ymir	..	417
Granite, Nelson	..	43
Highland Lass, Beaverdell	49	583
I.X.L., Rossland	..	29
Kerr Lake, Cobalt	..	38
Kilo, Lamon Creek	5	5
Keystone, Salmo	..	26
Knobhill, Republic	148	1,158
Kootenay Belle, Salmo	39	127
Little Grant, Orient, Wm.	..	8
Lone Pine Republic	..	81
Midnight, Rossland	..	288
Minehaha, Danville	..	25
Morning Glory, Republic	61	80
Mountain Lion, Republic	102	795
Nevada, Nelson	10	18
North Star, Greenwood	..	91
O'Brien, Cobalt	48	255
Parvenue, Penticton	36	94
Perrier, Nelson	..	825
Planet, Nicola	..	..
Queen, Salmo	..	18
Redmond, Republic	..	..
Reno, Salmo	..	30
Republic, Republic	..	80
Rio, Rambler	..	43
Royal Can., Nelson	..	2
San Poil, Republic	..	245
Second Chance, Ross Spur	..	4
Snowdrop, Rossland	..	1
Silver King, Tulameen	36	83
Silversmith, Sandon	..	84
Stemwinder Phoenix	..	32
Somerville, Penticton	2	2
Sunset, Orient, Wm.	..	373
Trevitt, Republic	..	2
Union, Lynch Creek	38	1,452
Vancouver, Salmo	19	117
Venus Juno, Nelson	52	128
Victor, Sandon	..	31
Wellington, Beaverdell	..	667
Wilcox, Ymir	..	59
Yankee Girl, Ymir	240	6,076
Custom Ore	780	16,615
Company Ore	5,782	259,840
Grand Total	5,782	276,457

Mining Personages in Canada



JAMES Y. MURDOCH, K.C.
President of Noranda Mines Ltd., Canadian Copper Refiners Ltd. and Waite-Ackerman, Montgomery Mines Ltd. Director of Wright Hargreaves Mines Ltd. and International Mining Corp. Vice-president of Chartered Trust & Executor Co. Member of Holden, Murdoch, Walton & Beatty, barristers.

J. Y. Murdock Entered Mining From Legal End

Ability to Pick Men and to Delegate Important Duties to Others Hastened His Success—His Foresight Placed Noranda in Unique and Prosperous Position

Mining companies, like other corporations, early in their corporate existence require the services of the legal profession. When a property shows mine making possibilities the legal profession starts to function. Charters must be taken out, titles examined and the company launched according to established corporate procedure. If the company grows in importance the duties of the legal adviser mutiply according to the magnitude of the enterprise. On him falls the duty to pilot the company, pass on its corporate problems, all of which gives him an intimate association with the company's affairs that enables him to appraise its potentialities. This intimate association with young mining companies has, on more than one occasion, laid the foundation for private fortunes for members of the legal profession.

In 1920 claims were staked on the shores of Osisco Lake, in the Rouyn district of Quebec. They did not attract unusual interest until a syndicate composed principally of American interests were induced to examine them. Interest centred on gold but under development copper proved the important metal. More claims were staked. Legal advice was sought. Holden and Murdock, barristers and solicitors in Toronto by chance was the firm approached. Long identified with the Hollinger interests and corporations of mining companies it fell to the lot of the junior member of the firm to incorporate Noranda Mines to develop the property.

The junior member of the firm was James Y. Murdock, K.C., now president of Noranda Mines, Ltd., currently Canada's largest copper producer, the third largest gold producer in the Dominion, and with its affiliated subsidiary companies, one of the most important mining and metallurgical enterprises in Canada and the largest mining property in Quebec. He was present at the birth of the company and has presided over its destinies ever since.

It Was Not All Luck

It was not entirely fate that brought together what is today a great mining enterprise and its president. For years previously this junior member of the legal firm of Holden and Murdock had been closely associated with the mining activities of northern Ontario. He had demonstrated unusual understanding of mining affairs and problems. Early in its corporate existence he recognized the possibilities of Noranda Mines and devoted increasing attention to the corporate affairs of the company. Much of the success of Noranda Mines can be attributed to the guiding hand of its president. Not being possessed of technical knowledge so necessary for the successful development of a mining enterprise, he started to surround himself with men high up in the profession. He has ability to pick men for the job and then entrust them with their respective duties. To make a man responsible for his job is one of his governing policies. He never permitted his executive capacity to overstep into a realm that could better be handled by others. The harmonious, deliberate manner in which he conducted the affairs of Noranda has elevated securities of his company to be one of the most popular mining investments and which are considered as stock market leaders of the future as well as at present.

Outguess the U. S. Producers

When the United States Copper producers met in New York last year to arrange quotas among the copper producers of the world, Noranda's president was not in the group and no story better illustrates the canniness of this executive, when dealing with these moguls of the copper industry than his reply as to why he was absent from such an important gathering. "Say, if I went to New York those birds would have me cornered in five minutes and stampeded into saying something I never intended. They have forgotten more about the copper industry than I ever knew. It is much better that I sit here in my Toronto office and talk with them over long distance telephone and think out my answers between times."

His policy proved sound as subsequent events have shown and long before the United States tariff on copper came into effect which barred the Canadian production from this market, Noranda's president was busy in London Eng., making contracts for the sale of copper that has given it an inside track and a market that is keeping the big producer busy while United States copper producers are still quibbling over quotas.

The mining, milling and producing of copper were the initial problems of Noranda, and J. Y. Murdock early realized that the company should have its own refinery. The building of the refinery at Montreal East was but another step. The wisdom of this was exemplified when the United States put a tariff on copper. The company must have a back-log of an important copper fabricating organization, thought its president. Accordingly interest was acquired in the Canada Wire & Cable Co., thereby assuring an important outlet for the company's refined copper without having to go entirely into a keenly competitive market.

Monument to His Ability

With copper prices the lowest known in history, it is significant that Noranda is one of the lowest cost producers in the world today and one of the few to show earnings and pay dividends. No small credit for this situation is due J. Y. Murdock.

It might be expected that a big mining enterprise such as Noranda with five years of successful production behind it, should be presided over by a man of mature age. J. Y. Murdock is of the younger generation of business men. He was born in Toronto 42 years ago and after a public school and collegiate education graduated from Osgoode Hall and was called to the Bar of Ontario in 1913. He was created a King's Council in June, 1929, but now devotes almost his entire energies to his mining associations.

He was truly a son of Toronto and there in his home except for brief excursions abroad to promote the interests of Noranda Mines which is the only serious hobby he possesses.

N.B. Proposes Employing Students For Exploration

Dr. W. J. Wright, provincial geologist for New Brunswick has made a proposal to explore the mineral possibilities of the province by putting the students of geology and minerology from the University of New Brunswick on field work at government expense.

New Brunswick has been lagging behind other provinces in its exploration activities and Dr. Wright's proposal to place young men thoroughly grounded and otherwise prepared for field work, presents an interesting solution for time permitting the province to benefit by a well directed exploration programme. The geological map clearly indicates that the rock formations are favorable for ore depositions, but excessive overburdens and lack of rock outcrops has been the main factor in retarding exploration work. But few prospectors reside in the area and putting the young mining engineers and geologists into the field for several consecutive years would enable the province to take full advantage of its trained university product for a relatively small annual appropriation.

McWATTERS FIND ASSURED FINANCES COMPANY FORMED

Huronian Mining to Provide Funds for Minority Interest

What promises to be one of the most important gold prospects in Northwestern Quebec is evidenced by samples and exposures on the McWatters property, consisting of 20 claims in the centre of Rouyn township, about seven miles southeast of the Noranda smelter.

Preliminary surface work has disclosed two sheared zones with an east-west strike. some fifty feet apart. In the first zone free gold was found in schist and quartz across the entire width of 10 or 12 ft. This zone was traced about 70 ft. east to a fault. The second, or north zone, appears to be more important, and where cross trenched from the first zone showed free gold in quartz and schist across a width of over 15 ft. Stripping has been done on this zone for some 150 feet east of the cross trench and up to 13 ft. of quartz has been encountered showing free gold and tellurides over the entire width. Altogether some 250 ft. of stripping has been done on this zone to the fault.

The North zone has been channel sampled and gave values most spectacular. One well-known mining engineer who visited the property and saw the assays results said 100 ft. of depth would produce at least $1,000,000 from the one ore shoot.

An interesting angle of the find is that the claims were staked in 1922 and allowed to lapse. This spring they were restaked by Dave McWatters and optioned to Prospectors' Airways Co., consisting principally of a private group of northern mining men. They were the pioneer organization to employ airplanes in prospecting.

Apply For Charter

It is now proposed to form a new company to hold title to and develop the property. A Dominion charter has been applied for in the name of McWatters Gold Mines Ltd. The company is to have a 2,000,000 share capitalization and Prospectors' Airways will receive controlling interest. Rights are to be offered to its shareholders to purchase shares in the company directly.

The Huronian Mining & Finance Co. has had its engineers on the property and has made a firm offer to underwrite the shares and provide all the funds required to complete the company's programme. Ventures Ltd., which has a 20 per cent interest in Prospectors' Airways, will also figure in the financing.

It is planned to diamond drill the property for structure and to start opening it up for mining without delay.

With the find at the back door of centre of the Rouyn area five minutes away by airplane from Noranda and a road and water route almost to the site of the find, little difficulty is offered to its speedy development. An electric transmission line is also less than six miles away.

Nickel Finds Place in Wine Pasteurizers

Production of nickel is at low ebb and consumption lagging far below the normal demand, but almost daily some new application is found for the metal that in some way does a job better than has heretofore been possible. The latest use for the metal to come to attention, and incidentally it is an entirely Canadian devolepment, is pure nickel pasteurizing tanks in use at the Canadian Wineries in the Niagara Peninsula of Ontario.

Heretofore pasteurizers in use were made in France and constructed of a steel shell with vitreous enamel lining. The French equipment was disposed to crack and shell off, permitting the steel to come in direct contact with the wine.

The Canadian Wineries being acquainted with the superior qualities of nickel, designed and had built several pasteurizers for their various plants, that bid fair to replace the vitreous lined steel tanks previously used.

While the tonnage of nickel employed in the new tanks is only a few hundred pounds in each instance it exemplifies the increasingly diversified uses for nickel, which in the aggregate, given improved industrial conditions will have a marked effect on the future demand for nickel.

Canadian Industries Opens Branch in Rouyn

Owing to the increased mining activity in the Rouyn area, the explosives division of Canadian Industries has opened a branch office at Noranda, Que., in charge of U. F. Ammett. In the past this area has been served from Cobalt, but in keeping with the company's policy of being in close contact with mining development, decision was reached to open an office in the Quebec field.

Kenora Prospectors Increases Capitalization

A recent issue of the Ontario Gazette announces the increasing of the capitalization of Kenora Prospectors & Miners Ltd. from $250,000 in $1 par value shares to $500,000 in shares of like amount.

The company is controlled by Ventures Ltd. and development centres about the rehabilitation of the old Cornucopia and Mikado mines in the Kenora district of Ontario. This summer a shaft was sunk on the Cornucopia property to a depth of 200 ft. and lateral work started. The Mikado property is being dewatered to permit further examination.

March Gold Wrestles With Financial Problems

Officers of March Gold Inc. are still wrestling with the reorganization of the company to discharge its financial obligations. The company's plant and mill in the Porcupine area suspended operations on July 26 last when refinancing through a bond issue failed. The company owes approximately $135,000 on loans. Production in 1932 until operations were suspended amounted to $125,041 while production in 1931 amounted to $270,125.

Hydro Offers Beattie $30 Initial Power Rate Deal Near Consummation

Hydro Will Build Transmission Line to Quebec Boundary

BIDS FOR SUPREMACY

Resembles Rate to International Nickel—Scales Down to $10 Per H. P. for Large Blocks

Determined to invade the northern mining area, the Hydro-Electric Power Commission of Ontario expects early acceptance of a bid for electric power for the Beattie Gold Mines in Duparquet Township, Quebec. While the contract has not been officially signed, The Financial Post can say authoritatively that completion of final details at an early date promises to give Hydro its first gold mine customer and a toe hold in an area where it will have to be represented if it is to be successful in a campaign to dominate the power situation in the mining areas of Northern Ontario and Quebec.

The development of the Beattie property is continuing according to schedule. Foundations are in for the initial 600 ton mill unit and much of the heavy machinery has been delivered to the property, but while no announcement has been forthcoming as to the solution of the electric power problem it is evident that this is not causing Beattie officials much concern. The Canada Northern Power Corporation transmission lines is less than 20 miles away and the Hydro-Electric Power Commission is looking for business for its newly acquired Abitibi Canyon development.

Build 80 Mile Line

To serve Beattie, Hydro proposes to build a wooden tower 110 k.v. aluminum, single circuit transmission line over a 100 ft. right-of-way from the Iroquois Falls plant of the Abitibi Power & Paper Co. to the Quebec interprovincial boundary capable of transmitting 10,000 h.p. initially. This distance is approximately 60 miles. From the boundary to the Beattie property, a distance of approximately 20 miles, the construction of the transmission line would be undertaken by the Beattie Gold Mines under Hydro supervision. Such a transmission line would cost in the neighborhood of $7,000 to $8,000 per mile according to estimates, which is about the cost of a similar line from the Nipigon development to Porth Arthur. The existing transmission line between Hunta and Iroquois Falls is owned by the Abitibi Power & Paper Co., but it is understood tentative arrangements have been made, whereby power for Beattie could be transmitted over this line, until such time as the proposed main transmission line from Hunta could be extended to Iroquois Falls.

Proposed rates have not been made public but it is known Horace Young has been retained by Beattie to negotiate with the Hydro on rates and it is understood an offer has been made by Hydro comparable with the existing contract with the International Nickel Co. which calls for 16,000 horsepower at approximately $22 per horsepower per year. Initially Beattie would not require in excess of about 2,500 horsepower, which on the basis of the International Nickel contract would mean a power charge of approximately $30 per horsepower per year, for the initial block of 5,000 horsepower. As, if and when Beattie developments demand as much as has been contracted for by International Nickel its power rates would be brought down to a similar figure by a sliding scale of about $20 for the second 5,000 h.p. block and $10 for the third block of 5,000 h.p. Any additional amount required would be approximately $10 per horsepower per year.

Initial Cost $30 Plus

As the proposal now stands Beattie's power will cost initially in the neighborhood of $30 per horsepower per year, plus the cost to the company of building a 20 mile transmission line from the Quebec boundary, plus the cost of a transformer station at the mine. Metering will take place on the low tension side at the mine with adjustments made for transmission lines and transformer losses and the usual penalty for a power factor below 90 per cent.

The standard Hydro contract calls for charges based on average 10 minute peak for any one month.

The question of cheap electric power has been a prominent factor in the economic development of the Beattie property as the ore is low grade and the margin of profits necessarily small. On the basis of electric power at $50 per horsepower per year the maximum rate paid by northern Ontario gold producers, the average cost per ton of ore milled has been close to 40 cents per ton. On the basis of the proposed figures, Beattie Power will cost approximately initially about two-thirds that of the rate charged Ontario mines in addition to which Beattie must partially construct a transmission line and sub-station.

Makes Sure of Beattie

Hydro's determination to corral the Beattie power contract is an aggressive and interesting step in the power situation of Northern Ontario and Quebec in what it marks a willingness on the part of Hydro to speculate on the future potentialities of a mining property by building a transmission line. When the Ashley Gold Mining Corp., the only other mining property to demand power in recent months, approached Hydro for power, there was a disposition to let the mining company build its own transmission line, with the result that Northern Canada Power Corp., which has grown up with the development of the northern gold fields, continued its policy of speculating on the future, and extended its lines to the Ashley property and corralled the contract. Losing this first potential customer has evidently put Hydro on its toes and forced it to realize that if it is to secure new mine power contracts it must do more than offer better rates; it must build transmission lines.

The securing of the Beattie Gold Mines power contract by the Hydro-Electric Power Commission of Ontario will be the opening gun for a battle of supremacy between Hydro and the Canada Northern Power Corp.

First Gold Mine Customer

Since Hydro signified its intention of acquiring the Abitibi Canyon development of the Ontario Power Service Corp. speculation has been rife as to where it would secure an outlet for the 275,000 horsepower, the greater part of which is to be made available from this development next spring. Aside from the 16,000 horsepower sold to the International Nickel Co., temporarily generated by the Island Falls plant of the Abitibi Power & Paper Co. and transmitted over the Hydro-Electric Power Co.'s transmission lines from Hunta to Sudbury, it had no firm power contract. In the October 8 issue of The Financial Post it was suggested that Hydro might make a determined bid to dominate the Northern Ontario mining field, and thereby secure an outlet for its new power acquisition. Interest centres about the Beattie power deal because it demonstrates the avowed intention of Hydro to undercut the prevailing power rate by private interests. The deal is also of interest because it is a departure from the former policy of building a transmission line to a new mine and therefore a manifestation of a willingness to speculate on the mine's potentialities. This factor does not display the speculative attitude that superficial examination would indicate as in the Beattie case a bond must be posted that will indemnify Hydro for any loss over a period of years until power consumption has justified and paid for the building of the line. This indemnity bond is procurable from various bonding companies at a cost of approximately one per cent per annum of the transmission line cost and this cost is born by the power purchaser.

Nickel Further Deters Creighton Operations

The Creighton mine and Coniston smelter of International Nickel Co. is not to resume operations on November 1, after a three months' shut down, as originally planned. Officials state that the shut down will last a few weeks longer. Ore from the Creighton Mine is treated at the Coniston smelter to produce matte from which "Monel metal" is made. The stocks of this product have been appreciably liquidated in recent weeks but are still large and operations will not be resumed until these stocks are further reduced.

The Copper Cliff plant continues at a curtailed rate.

INTERIM REPORT OF TECK-HUGHES BEST IN HISTORY

Estimated Earnings $3,723,291 or 78 Cents Per Share

An interim annual report, accompanying dividend cheques forwarded to Teck-Hughes Gold Mines' shareholders on November 1, and covering the fiscal year ended August 31, 1932, shows estimated earnings of $3,723,291, equivalent to 78 cents per share as compared with 69 cents per share in the previous fiscal year. In the October 22 issue, The Financial Post made an unofficial estimate of earnings as $3,750,000 or 78 cents per share. With the earnings of the company at the highest level in its corporate existence it seems incongruous that the shares of the company are selling at near the lowest prices since 1926.

Gross income for the last fiscal year showed an increase of $774,409, principally attributable to the exchange compensation on the gold production. Operating costs increased $245,860 but having regard for the increased tonnage of ore treated, indications point to operating costs per ton being further reduced.

The tonnage of ore milled and the value of the bullion produced are not given in the interim report but based on the quarterly statements of the Ontario Department of Mines, approximately $6,000,000 were recovered from about 478,000 tons of ore treated, an average recovery of about 512.55 per ton. In addition there is exchange compensation of about $750,000.

Last Quarter Down

Production in the three months ended September 30, 1932, was $1,395,610 from 119,600 tons of ore treated, an average recovery of $11.65 per ton, near the lowest reported by the company.

The annual report which is planned for release on November 10, is expected to give details of deep mine developments.

The following is a comparative statement of interim reports for the past two fiscal years:

Fiscal Years Ended August 31	1932 $	1931 $
Gross income	6,824,239	6,049,880
Oper. cost	2,359,409	2,113,549
Net earnings	4,464,830	3,936,281
Less: Est. taxes	437,881	338,367
Gross earnings	4,026,949	3,597,914
Est. for deprec.	303,658	286,323
Est. net earn.	3,723,291	3,331,591
Earnings per Share:		
Earned	$0.78	$0.69
Paid div.	.65	.60

Nordon Drilling Near Milk River

Drilling has been started by the Nordon Corp. on its acreage in the Twin River structure, northwest of the dredged Coulee fields about 25 miles west of Milk River, Alta. About a year ago the Parco Oil Co. drilled a well on structure encountering a small flow of oil and gas which will be used to supply fuel for the northern well, which will be approximately 200 feet higher on the structure.

Reno's Mill To Be Ready Early In Nov.

Latest reports from the Reno Gold Mines on Sheep Creek, near Nelson, B.C., indicate that the rehabilitation of the Motherlode mill will permit resumption of operations by the middle of this month.

The company started production three years ago, but in February this year fire destroyed its mill, which prompted the company to acquire the adjoining Nugget-Motherlode group of claims, including the old 100 ton mill. The Hydro-Electric plant, which was used in connection with the Motherlode mill, is also being put in shape to generate 800 horsepower. A new 12,600 ft. aerial tramway was also constructed to connect the Reno claims with the Motherlode mill.

With cheap electric power and increased milling facilities Reno is pioneering renewed interest in this old producing area and numerous other properties are being further explored.

Plan Listing Noranda in London

It is mooted that shares of Noranda Mines will be listed on the London, Eng., stock exchange. Credence is lent to the rumor, because the company's president, J. Y. Murdock, K.C., is in England in connection with company affairs, but is expected back next week.

Five Companies Share New Mar-Jon Prospect

Encountering the lime at 5,420 feet, the Mar-Jon well near Merland, producer in the south end of Turner Valley, becomes of special interest.

The situation regarding ownership of the well has not been clear, since no fewer than five companies directly or indirectly would benefit from production.

From an official of Freehold Corp. it is learned that Mar-Jon Oil Co. would receive 12½ per cent net from production. The remainder would be divisible between Mayland Oil Co. Ltd. and Freehold Corp. subject to a royalty of three per cent payable to Calgary & Edmonton Corp.

A 51 per cent interest in Mayland Oil Co. is owned by Royalite Oil Co. Mayland is understood to be furnishing the money for drilling of the Mar-Jon well.

Calgary & Edmonton Corp. entered the picture when an agreement was reached with them not to offset the Mar-Jon well by drilling on their adjoining acreage. In return for this concession C. & E. received its three per cent royalty on production.

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Weekly Wheat Export Increased to 7,000,000 Bu.

Export clearances of wheat for the week ending October 21 increased slightly over the previous week. The amount was 7,060,838 bushels compared with 6,944,766 in the previous week. Vancouver made the large gain of 962,546 bushels over the week before and leads all ports for the week. The total export movement for the first twelve weeks of the present crop year is almost double that of the corresponding period last year.

By ports the movement for the week ending October 21 were as follows, the figures in brackets being those of a year ago: Montreal, 2,336,297 (1,545,764); Vancouver, 3,510,817 (694,595); Sorel, 871,724 (262,413); United States Atlantic Seaboard ports, 352,000 (713,000); total, 7,060,838 (3,215,772).

For the twelve weeks ending October 21, the totals follow, the figures in brackets being those of last year: Montreal, 27,256,110 (13,319,841); Vancouver, 16,700,191 (8,707,355); United States, 6,098,000 (7,961,000); Churchill, 2,736,029 (nil); Sorel, 6,495,576 (2,047,780); Quebec, 431,371 (88,326); Victoria, 314,627 (544,769); Prince Rupert, 677,813 (nil); total, 60,709,717 (32,669,071).

MacKINNON STEEL CORPORATION
LIMITED

BOARD OF DIRECTORS
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J. B. Woodyatt
John Irwin
H. W. Welsh
Hon Walter G. Mitchell, K.C.
T. M. Hutchison

REPORT and STATEMENT

To the Shareholders.—

Your Directors submit the Report of the Company together with Balance Sheet and Profit and Loss Account for the twelve months period ended July 31, 1932.

The Company's plant and equipment have been maintained in good condition during the year.

Manufacturing Supplies on hand are suitable for the Company's requirements and the Inventories have been valued at current prices.

The Company's books have been audited and the certificate of Messrs. Price, Waterhouse and Company, the Company's auditors, appears in the financial statement.

The reduction in business experienced during the previous year continued throughout the last year, resulting in part time operations with reduced staff. A contract from the Province of Quebec for the construction of a Highway Bridge over the Yamaska River was the only order entailing heavy tonnage booked during the period.

The regular quarterly dividends at the rate of $7 per share for the year were paid on the Preferred Stock.

The liquid position of the Company continues strong. During the year $40,000 par value of the Preferred Stock was purchased and redeemed.

The Directors wish to express their appreciation of the cooperation and loyal support given by the Company's officers and employees.

By order of the Board of Directors.

October 17th, 1932. (Signed) D. H. McDOUGALL, President.

COMPARATIVE BALANCE SHEETS
July 31, 1931 and July 31, 1932

ASSETS

	July 31, 1932	July 31, 1931
Current Assets:		
Inventories of Raw Materials, Supplies and Work in Process, less Reserve	$ 23,494.71	$ 31,137.37
Accounts Receivable, less reserve for doubtful accounts	29,224.55	41,689.84
Cash on hand and on Call Loan	205,731.22	228,877.49
	$258,450.48	$301,704.70
Deferred Payments Receivable on Land Sold: Receivable in annual instalments over ten years with interest at six per cent	9,000.00	10,000.00
Prepaid Taxes and Insurance	668.72	1,690.83
Property Assets: Land, Buildings, Plant and Machinery	453,811.28	453,811.28
	$721,930.48	$767,206.81

LIABILITIES

	July 31, 1932	July 31, 1931
Current Liabilities:		
Bills Payable—Steel Acceptances	....	$ 6,585.12
Accounts Payable, including Reserve for Income Tax	5,293.18	10,839.66
	$ 5,293.18	$ 17,424.78
Reserves:		
For Depreciation	$ 74,000.00	$ 60,000.00
For Preferred Stock Redemption	4,346.87	4,346.87
	$ 78,346.87	$ 64,346.87
Preferred Stock: 7% Cumulative Redeemable Convertible Sinking Fund First Preferred Stock, Redeemable at 110 on 30 day's notice:		
Authorized—10,000 Shares of $100.00 each. 1,000,000.00		
Issued — 6,000 Shares of $100.00 each.	600,000.00	600,000.00
Less: Redeemed and Cancelled	90,000.00	50,000.00
	$510,000.00	$550,000.00
Common Stock and Surplus: Capital Surplus—		
Balance, July 31, 1931	$ 77,247.61	$ 77,247.61
Discount on Preferred Shares Redeemed	8,988.75	5,043.75
	$ 86,236.36	$ 82,291.36
Profit and Loss, Balance as per statement below	42,054.07	53,143.80
	$128,290.43	$135,435.16
Represented by 12,000 Common Shares without nominal or par value, out of a total authorized issue of 40,000 shares. NOTE:—10,200 of the unissued shares are applicable to the conversion of the outstanding Preferred Stock.		
	$721,930.48	$767,206.81

D. H. McDOUGALL, Director.
J. L. McSWEENEY, Director.

AUDITORS' REPORT

Audited and verified in accordance with our report dated September 30, 1932.
PRICE, WATERHOUSE & CO., Auditors.

COMPARATIVE STATEMENT OF PROFIT AND LOSS
For the Years Ended July 31, 1931 and 1932.

	Year ended July 31, 1931	July 31, 1932
Balance of Profit from operations, after deduction of Income Tax	* $50,307.48	29,959.72
Deduct: Depreciation on Plant, Machinery, etc.	18,000.00	14,000.00
	$ 32,307.48	$15,959.72
Add: Balance of Profits from previous year	62,815.99	53,143.80
Amount transferred from Operating Reserve	....	10,000.00
	95,123.47	$ 79,103.52
Deduct: Dividends Paid on Preferred Stock to August 1, 1932	$ 39,427.50	$ 36,750.00
Adjustment in Income Tax of Previous year	2,552.17	299.45
	41,979.67	37,049.45
Balance carried forward	$ 53,143.80	$ 42,054.07

* After deduction of Operating Reserve.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING OCTOBER 31

Range 1932 High	Low	Divd. Rate $	Yield in % Oct. 29		Sales	Close Oct. 24 (or last)	Week Ending —Oct. 31— High	Low	Close
3.25	.30			Abitibi	40	.37	.37	.37	.37
10	1			Do. pref.	660	1½	1½	1½	1½
x105	80			Do. pref.					
80	80	7		Acme F. D'y, p		80			
5	4½			Agnew Surp.		5			
70	70	7		Do. pref.		70			
7½	3½			Alta. Pac. Gr.	25	7	5	5	5
45	19			Do. pref.	5	40	30	30	30
3½	1½			Amal. Electric		1½			
11	7			Do. pref.	20	7	7	7	7
x3½	2½			Anglo. N. Hold.					
.30	.15			Asbestos		.20			
1.00	.50			Do. pref.		.50			
7	4	60c	9.2	Assoc. Brew.	271	6	6½	6	6
71	65	7	10.1	Do. pref.	35	71	69	69	69
3	3			Assoc. Can.		3			
x69	65			Assoc. Tele.					
30	16			Atlan. Sugar		20¼			
120	92			Do. pref.		120			
159¾	127	10	7.6	Bk. Can. Nat.	68	130	131	129	130
225	150	10	5.3	Bk. Montreal	124	188	189	185	188¼
275	238	14	5.3	Bk. N. Scotia	28	266	266	263	263
193	125	10	5.6	Bk. Toronto	48	178	179½	178	179½
10¼	10¼			Barcelona		10¼			
3	1			Bathurst Pr.	25	2½	2	2	2
1½	½			Do. (B)		1½			
x26	26			Bawlf Grain					
20	15			Do. pref.		15			
5	3			Beath & Sons		4			
10¼	3½			Beatty Bros. A		7			
60	41	6	10.5	Do. pref.		57			
3.50	.40			Beauharnois	4800	1.62	1.75	1.50	1.62
x93	55	7		Belding Cort.					
90	65	7	7.8	Do. pref.		90			
120	75	7	7.1	Bell Telephone	640	99	99½	98	98½
4	2			Biltmore Hats		4			
50	50	7		Do. pref.		50			
4	1½			Bissell, T. E.		1½			
x97	88			Do. pref.					
8	2			Blue Ribbon		3½			
25	9	2	11.7	Do. pref.		16			
20	17	2	11.3	Brant. Cd. pf.	25	17¾	17¾	17¾	17¾
14¾	7¾			Brazilian Tr.	4662	8¾	9	8⅛	8¾
.75	.40			Brew. & Distil.		.75			
1	½			Brewing Corp.	15	½			
3½	1			Do. pref.	25	1½	1½	1½	1½
11½	7½	80c	9.8	Brit. Amer. Oil	6005	8	8¾	8	8⅛
3.50	.60			B.C. Packers	35	1.75	1.50	1.50	1.50
8½	4			Do. pref.	50	7	7	7	7
28	15	2	10.2	B.C. Power A.	1852	21½	21½	18	19½
7½	3½			Do. (B)	21	5	5	5	5
6½	2			Bruck S. Mills	1060	4	4	4	5
20¼	10	1	9.1	Building Prod.	53	12	14	11	14
32	17	2.40	8.6	Burt, F. N.	81	28	28	28	28
125	120	6	5	Calgary Pr.		120			
4	1½			Canada Bread.		2¼			
85	80	7	8.2	Do. pref. A.		85			
25	20	2	8	Do. pref. B.		25			
9	6½	1	12.9	Canada Bud	130	7½	7½	7½	7½
7	2			Canada Cement	909	4	4⅜	4	4⅛
66	20			Do. pref.	167	28½	28½	26	26
b15	6	1.20	12	Canada Dry	301	9½	10	9½	9½
6	2			Can. Forg. (A)	20	2½	2	2	2
7½	2			Do. (B)		7½			
x68	60			Canada Iron					
x80	75			Do. pref.					
15¼	8½	1.50	10.7	Can. Malting	225	14	14	13½	13¾
17	9	80c	6.1	Can. Nor. Pr.	25	17	13	13	13
92	52½	7	10	Do. pref.	7	73	70	67	67
x6				Can. Paving					
6½	6½			Do. pref.	5	6½	6½	6¼	
186	135	12	7.6	Can. Perman.	57	165	163	156½	158½
1.00	.50			Can. Pr. & Pa.		.55			
3½	¾			Can. Steamsh's		2¼			
11½	1			Do. pref.	30	5¼	5¼	5	5¼
17	9½	1.60	12	Can. Vinegars	15	13¼	13¼	13	13¼
55	28½			Can. W. Cable		32			
18	4			Do. (B)	25	12	12	12	12
1½	1½			Can. Bakeries		1½			
14	5			Do. pref.	10	10	5	5	5
191	123	10	6.4	Can. Bk. Com.	50	159	157	155	155
18	9	1.25	7.3	Can. Bronze		17			
102	70	7	7.4	Do. pref.		95			
6½	1½			Can. Canners	35	3½	3¾	3½	3½
80	40	6	10.3	Do. 1st pfd.	20	56	58	56	58
9	3½	40c	6.7	Do. 2nd pfd.	395	6	6	5½	6
8½	2½			Can. Car & F'y	1017	5½	6	5½	6
19½	10	1.75	11.7	Do. pref.	540	15½	15½	14	14
8½	3¼			Can. Celanese	29	8	8½	6	8½
71	42	7	9.8	Do. pref.		71			
20	16½	2	12.1	Can. Convert.	10	20	16½	16½	16½
150	45			Can. Cottons					
60	48½	6	12.4	Do. pref.		48½			
17	7			Can. Dredge	115	13	12½	12	12½
x92	92	7		Do. pref.					
68	60	6	9.4	Can. Fairb. pf.		64			
4	3			Can. For. Inv.		3			
65	55			Do. pref.		55			
180	110	4	3.6	Can. Gen. Elec.		110			
59	50	3.50	6.2	Do. pref.	143	55	56½	56	56
3½	3½			Can. G. Inv. T.		3½			
66	29	6	15	Can. Hyd. E. p	186	48½	40	37	40
3	¾			Can. Ind. Alc.	633	2	2	1½	2
2.00	.30			Do. (B)	135	1.62	1.62	1.62	1.62
x5.00	3.95			Can. Int. I. Tr.					
x70	64½			Do. pref.					
21	18	1	4.8	Can. Lt. & Pr.		21			
1½	1			Can. Locomo.		1			
x25	5			Do. pref.					
2½	½			Can. Marconi	1907	1½	1½	1½	1½
13	7	1	10	Canadian Oil	15	10	10	10	10
100	84	8	8.2	Do. pref.	30	98	98	98	98
22½	8½			Can. Pacific	7649	14¾	15⅛	14	15
3	1½			Can. Vickers		3			
20½	20½			Do. pref.		20½			
3½	1			Can. Wineries	10	2½	1½	1½	1½
7½	4½	1	16.7	Can. Wire Box	10	6¼	6	6	6
12	7			Catelli Mac A.		7			
x5	5			Do. (B)					
x301	290	10		Cent. Can. L'n					
2.05	.50			Chem. Research	300	.78	.76	.76	.76
1	1			Claude Neon	20	1	1	1	1
8¼	3			Cockshutt Plow	555	5¼	5¼	4½	4½
2	½			Comm. Alcohol		1½			
3½	1			Conduits		1½			
x94	84			Do. pref.					
8	2½			Cons. Bakeries	235	3	3⅛	3	3
5	1			Cons. Industries		1½			
4	4			Cons. Paper		4			
15	5			Cons. Press		6			
35	30	2	5.7	Cons. Sand. p.		35			
102	25			Cons. Smelters	960	68	69½	65	68
175	142	10	5.8	Consumers Gas	48	173	173	171	173
‡35	30			Cooksville Co.					
‡85	85			Do. pref.					
‡90	90			Corr. P. Box, p					
3½	2½			Cosgrave Brew.	50	2½	2½	2½	2½
5⅛	2			Cosmos Imp.		5			
68	40	3.50	7.4	Do. pref.		47½			
3¼	2			Crown Dom. Oil	115	3	3	3	3
20	8	4		Crow's N. Coal		15			
1¼	1¼			David & Fre. B		1¼			
x12½	12½			De Havilland					
15	10			Do. pref.		10			
x9	5			Disher Steel					
x10	10	1.50		Do. pref.					
7½	3¾			Distill-Seagram	585	6	6⅛	5⅝	6
7	7			Dodge "A" pf.		7			
2	1½			Do. (B)		2			
194	125	10	6.4	Dom. Bank	24	161	161	156	156
27	9	2	12.5	Dom. Bridge	812	16½	16½	15½	16
x40	40			Dom. Coal					
22½	12			Dom. Engineer.		12½			
78	30	5	7.1	Dom. Glass	10	72	70	70	70
112	85	7	6.9	Do. pref.		100½			
5½	1½	20c	10	Dom. Motors	235	2½	2	2	2
7½	3½			Dom. Pr. Stubs		6			
3	1			Dom. St. & C B	487	1⅞	1½	1½	1⅞
20½	13	1.20†	6.8	Dom. Stores	190	17¾	17¾	17	17¾
5	2			Dom. Tar & Ch.	1	2½	2½	2½	2½
30	26			Do. pref.		26			
68½	39	5	10	Dom. Textile	231	50	50½	50	50
105	70	7	6.9	Do. pref.		102			
x12	10			Donnacona					
3	½			Dryden Paper	500	1½	1	1	1
4	2			Duff. Paving		2			
49	26			Do. pref.		26			
20	3			East. Koot. Pr.		3			
x97	94½			Do. pref.					
16	5			East. Dairies	110	7	6	5	5
9½	9½	1	10.5	East. Steel		9½			
74	74	7	9.4	Do. pref.		74			
‡34	28½	2		East. Theatres					
x85	80	7		Do. pref.					
1	1			Easy Washer		1			
9	4½	75c	9.7	Economic Inv.		7½			
x15	15			Edmonton D'y					
x80	78⅛	6.50		Do. pref.					
4	4			Enam. & Heat.		4			
19	6			Eng. Electric		8			
2½	1½			Do. (B)		2			
8	6			Fam. Players		7			
10	7½			Do. Vot. Tr.	40	10	10	10	10
10	7			Fanny Farmer	10	7	7	7	7
29	25	2.40	9.6	Do. pref.		25			
x88½	75			Firstbrook Box					
16¾	5½			Ford Motors A	702	7¼	8¼	7½	7¾
3⅛	1½			For. Pr. Secs.		2¼			
9	1⅛			Foundation Co.		4			
1.25	.25			Fraser Cos.	55	.40	.40	.40	.40
50	50			Front. Brew.		50			
50	50			Do. pref.		50			
x8	5			Frost Steel					
37	35			Do. pref.	20	37	37	35	35
2½	⅜			Gen. St. Wares	420	1⅝	1⅝	1½	1½
84	38	5	7.1	Goodyear Tire.		70			
95	70	7	7.5	Do. pref.	22	93	94	93	93
x93½	93½			Gould Pumps p					
1½	⅝			G. W. Saddlery	95	1	¾	¾	¾
7	5			Do. pref.		5			
21	7	1	11.4	Gurd, Chas.	155	10	8¾	7	8¾
106	100	7		Do. pref.		100			
5	2			Gypsum, Lime	130	2½	2½	2½	2½
7	2			Ham. Bridge	30	4½	4½	4½	4½
60	44½			Do. pref.		45			
10	6			Ham. Cot., pf.	5	6	6	6	6
2½	1½			Ham. U. Theat.		2½			
53	48	7	14	Do. pref.		50			
4	1			Hayes Wheel.	125	1½	1	1	1
‡95	80			Do. pref.					

Range 1932 High	Low	Divd. Rate $	Yield in % Oct. 29		Sales	Close Oct. 24 (or last)	Week Ending —Oct. 31— High	Low	Close
‡50	50			Hillcrest Coll.					
‡91	91			Do. pref.					
2½	1			Hinde & Dauch	50	2½	2½	2½	2½
x75	75			Holt Renfrew					
‡96½	90	7		Do. pref.					
3½	½			Honey Dew		1			
40	10			Do. pref.		10			
4	2			H. Smith Pap.		2½			
27	16			Do. pref.	5	17	16	16	16
21½	15	2	12.2	Humberstone S	10	16½	16⅜	16	16⅛
17¾	6¼	1	12.5	Hunt (A)		8			
x23½	18½	1		Do. (B)					
108	93	8	7.6	Huron & E. M.	10	106	105	105	105
18	17			Do. 20% pd.	25	17	18	18	18
11½	4½			Hydro Electric		6			
193	130	10	6.1	Imperial Bank	2	166½	165	165	165
11⅛	7⅛	50c	5.4	Imperial Oil	5667	9	9½	8⅞	8⅞
9⅞	6	35c°	4.2	Imperial Tob.	1091	8⅛	8½	8	8⅛
x80	80	8		Inter. Coal. p.					
6	6			Int. Hyd. E. A.		6			
97	88½	7	7.4	Inter. Mill. pf.	10	94	94	94	94
80	77	6	7.5	Do. Series A.		80			
13½	4			Inter. Nickel	14159	8⅞	9	8½	8½
4	4			Inter. Paints		4			
b4⅜	¾			Int. Pa & Pr A	1600	1⅛	1⅛	1	1⅛
b2	¾			Do. (B)	1000	¾			
b1⅛	⅜			Do. (C)					
b12⅞	2			Do. pref.	400	3¼	4⅛	3½	3⅝
13½	9¼	1	9.1	Inter. Pete.	1458	10½	11⅛	10½	11
x8	5			Inter. Power					
x78	56¼			Do. pref.					
11	2			Int. Util. (A)	60	7½	7	7	7
4	¼			Do. (B)	10	1½	1½	1½	1½
x40	40	1		Jam. Pub. Ser.					
86	79	7	8.8	Do. pref.		79			
4	2½			Kelvinator		2⅜			
90	55	7	12.7	Do. pref.		55			
9¼	4			Lake of Woods	30	8	7¾	7	7¼
40	40			Do. pref.	2	40	40	40	40
x140	140	8		Landed Bank.					
40	28	3	7.8	Laura Secord	20	39	38½	38½	38½
8	1½			Lindsay, C. W.		2⅜			
60	36	6.50	16.7	Do. pref.	15	38	39	39	39
12	9	80c§	6.7	Loblaw (A)	1240	11⅞	12	11⅞	11⅞
11⅛	8	80c§	7.3	Do. (B)	283	11⅛	11⅛	10⅞	11⅛
‡2¾	2¾			Loew's, London					
x25	19			MacKin. Steel.					
x95	90	7		Do. pref.					
7	6¾			Manitoba Pr.		7			
5	2			Maple Leaf	5	4	3	3	3
20½	8			Do. pref.	35	18	15	15	15
x38	30			Marcus Loew's					
60	30			Do. pref.		30			
5¾	2½			Massey-Harris	360	3⅜	3⅜	3⅛	3⅜
11⅛	7	60c	6.7	McColl Fron.	864	8	9	8	8⅜
68	58	6	9.1	Do. pref.	25	65	66	65	65
x45	35			Mexican L & P					
‡25	25			Mercury Mills.					
‡89	58½			Do. pref.					
x40½	40			Mitchell, J. S.					
105	105	7	6.7	Do. pref.		105			
8¾	3			Mitchell, Robt.		6			
x1	1			Monarch Knit.					
30	20			Do. pref.	5	20	20	20	20
75	45	6	12	Montreal Cot.		50			
75	65	7	9.3	Do. pref.	5	70	75	75	75
2½	2½			Montreal Exhib.		2¼			
11	5			Mont. Is. Pr.					
39½	20¼	1.50	4.5	Mont. L. & P.	4812	33½	33⅞	32	33⅜
48	48	3+25	6.8	Montreal Loan		48			
47	40	3.20	7.6	Mont. Tele.	72	40	42	42	42
150	90	10	8.7	Mont. Trams.	12	115	115	115	115
11	4½			Moore Corp.	110	8¼	8½	8¼	8¼
93	62	7	8.9	Do. (A)	80	80	78	78	78
97	69	7	8	Do. (B)	5	89	87½	87½	87½
‡10	10			Mt. Royal Hot.					
‡49	49			Do. pref.					
2	⅜	10c	10	Muirheads		1			
9	8	75c	8.3	Do. pref.		9			
24	9½	1.60	10.1	Nat. Brew.	1125	16	16	15¾	16
28	25	1.75	6.5	Do. pref.	95	26⅞	27	27	27
½	½			Nat. Brick		½			
3	3			Do. pref.		3			
13½	6	80c	10.7	Nat. Steel Car	246	8½	8	7¾	8
255	175	12	5.9	National Tr.	26	215	210	203	204
10	10			Niag. W. Weav.		10			
20	16			Do. pref.		16			
2.50	1.50			North Star Oil		1.75			
4.00	4.00	35c		Do. pref.		4.00			
‡25	25			N.S. Steel. pf.					
150	90	8	6.1	Ogilvie Flour	20	130	130	130	130
112	96	7	6.4	Do. pref.		110			
9	4			Ont. Eq. 10% p	20	5	5	5	5
103⅜	94½	6	5.8	Ontario Loan	50	100	103⅜	103⅜	103⅜
x7	5			Ont. Silknit					
x16	13			Ont. Steel					
‡105	105			Do. pref.					
[illegible]				Orange Crush		½			
[illegible]				Do. (A)		18			
[illegible]				Do. (B)		½			
100	87	6	6.7	Ott. L. H. & P.		90			
100	90	6.50	7.2	Do. pref.		90			
10	10			Ott. Traction		10			
68½	35	3	5.6	Page Hersey	99	54	54½	53	53½
b11⅛	1½			Paramount	47342	3½	3⅞	2¾	3
x35	30			Paton Mfg.					
x94	92	7		Do. pref.					
⅜				Pelissiers		⅜			
x30	25			Do. pref.					
33½	18	3	10	Penmans		30			
80	65	6	8	Do. pref.		75			
19½	8			Photo Eng.		8			
x40	10			Port Alfred, pf					
x70	64	7		Porto Rico Pr. p					
b17½	1½			Postal Tele. p					
86½	6			Power Corp.	589	10	10	8½	9½
90	25	6	10.9	Do. pref.		55			
2	2			Prairie C. Oil		2			
14	5			Pressed Metals	320	10½	14	10½	14
5	3½			Price Bros.		3½			
x99	70			Do. pref.					
29	9½	1.50	11.1	Quebec Power	140	14	13½	13	13½
105	105	7	6.7	Real Estate Ln		105			
2.00	.25			Regent Knit.		.60			
10	5½			Reliance Grain		9			
12	6½	1	12.5	River. S. Mills	15	10½	8	8	8
12	5¼	1	18.2	Robinson Cone		5½			
4	1⅛			Rogers Majes.	125	1½	1½	1½	1½
171	120	10	6.3	Royal Bank	190	160	161	155	155
x84	75			Ruddy, E. L. p					
33	32½	1	3.1	Russell Motor		32½			
70	35	7	14.6	Do. pref.		48			
4	3			Sarnia Br. (A)		3			
1	1			Do. (B)		1			
7	3			Serv. Sta.	45	3½	3½	3½	3½
46	20			Do. pref.		25			
33	7½	50c	4.2	Shawinigan	3110	12½	12½	11⅞	12
20	7			Sher. Wms.		9			
80	68½	7	10	Do. pref.	30	68½	70	68⅛	70
17	5			Simon & Son	10	5⅛	5⅛	5⅛	5⅛
80	60			Do. pref.		60			
55½	12			Simpson, Ltd.		21			
x44½	36			Do. (A)					
9	9			Do. (B)		9			
82	62	6	7.7	Simpson, R., p.		78			
25	10	1	5.9	So. Can. Pr.	10	19	17	17	17
90	60	6	7.5	Do. pref.	10	80	80	79½	80
1.00	.40			St. Law. Corp.	300	.50	.50	.40	.40
4	1⅛			Do. (A)	205	2¼	2½	2½	2½
30	9	1.50	5	St. Law. Flour		30			
99½	70	7	7	Do. pref.		99½			
11	1⅜			St. Law. Pa. p	75	7	5½	5½	5½
3	1½			St. Pav. & Mat.		2¼			
46	25	2		Do. pref.		29½			
6	4	50c		Stand. Chem.		6			
5¼	1⅛			Stand. Steel		3			
x35	30	3		Do. pref.					
24	10½	1.75	10.3	Steel of Can.	810	19	19	15¼	16
30½	20	1.75	6.2	Do. pref.	200	28	28	26⅞	26½
½				Sterling Coal		½			
18	9½	1	7.7	Sup. Pete. ord.	10	13	13	13	13
16½	16½	1		Do. com.		16½			
98	90	7	7.3	Do. pref.		95½			
42	35			Tamblyn		40			
100¼	95	7	7.3	Do. pref.		95½			
18	14½	3.50	23.3	Thayers, pfd.		15			
7	3			Tip Top Tailors		3			
67	60	7	12.7	Do. pref.		55			
x22	10			Tooke Bros.					
x67	48½			Do. pref.					
15	7			Tor. Elevators	20	12	15	13¼	15
210	125	10	5.9	Tor. Gen. Tr.	21	175	170	170	170
108	85	6	5.8	Toronto Mtge.		103			
½				Traymore		½			
2½	2			Do. pref.		2			
120	103	7	6.6	Tuckett Tob. p		106½			
5	2			Twin City		5			
b24½	7			Do. pref.					
37	23			Do. (notes)		23			
7	1½			Union Gas	165	5	4⅞	4⅞	4⅞
100	100	5	5	Union Trust		100			
x8	3			United Fuel					
15	8			Do. pref.		7			
24⅛	18	2	10	United Secs.		20			
11	5			Viau Biscuit		9			
75	59	7	11.9	Do. pref.		59			
12	4			Wabasso Cot.		10			
8	2½			Walker-Good.	3369	6½	6½	5¼	6⅛
12	9	1		Do. pref.	1429	9⅜	9½	9¼	9½
3½	1			Waterloo Mfg.	70	1½	1½	1½	1½
80	75	7		W. Koot. Pr.		80			
8	5½			West. C. Flour		8			
60	54	6.50	11.2	Do. pref.		58			
12½	10			West. Grocers.	50	12½	11½	11½	11½
59½	43	7	11.7	Do. pref.		59½			
x91	85			W. Steel Pr. p					
23	16½	1	4.5	Weston Bisc.	320	22⅛	22⅛	22	22
70	65	7	10	Do. pref.		70			
10	3			Windsor Hotel		3			
38	10			Do. pref.		11			
8	2			Winnipeg Elec.	351	3	3½	3¼	3½
20	13			Do. pref.		15			
x46	46			Woods Mfg. p.					

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
° Plus final div. of 17½c paid March 31, 1932.
§ Plus bonus of 20c payable Dec. 1.

Eleventh Winter Fair Third Week in November

The eleventh annual Royal Winter Fair will be held at Toronto, November 16-24 inclusive, it is announced.

Among new features announced there is the "Aisle of Champions." This is stated as a new departure for all major live stock shows, in that the cattle awarded grand championships are to be assembled so as to be viewed conveniently in one place. A new motor entrance to the Coliseum has also been provided via the Prince's Gate.

The show grounds extend over 25 acres. Accommodation for the exhibition of over 15,000 head of live stock. The fair includes shows for horses, cattle, sheep, swine, dogs, cats, poultry, dairying, fruit, and flower growing, feed, grains, and pet stock.

Canada Holds Fifth Place in British Bacon Market

Although British imports of bacon from Canada were smaller in September, Canada still holds fifth place in that market and the Irish Free State sixth. The nine months' import was 8,534,647, a large increase over 1931 and a very large increase over the 6,558,585 cwt. import of 1930.

The countries from which most bacon have been received this year are: Denmark 5,837,141 cwt., Poland 902,413, Holland 585,980, Sweden 345,297, Canada 158,692, Irish Free State 134,265, United States 54,351.

Two years ago the United States stood third in this trade with 420,841 cwt., being second only to Denmark and Holland.

Active Unlisted Bonds
(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
November 1, 1932

	Bid	Asked
Industrial Bonds:		
Abitibi P. & P. 5% 1953	18.00	20.00
Acadia Sugar 6% 1946	83.00	87.00
Alta. Pac. Grain 6% 1946	84.00	86.00
American Sales Book 6% 1939	104.00	....
Arnold Bros. 6% 1947	40.00	50.00
B. A. Oil 5% 1945	86.00	89.00
Canada Biscuit 6½% 1946	30.00	35.00
Canada Bread 6% 1941	87.00	....
Canada Cement 5½% 1947	75.00	80.00
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	75.00	77.50
Can. Copper Refin. 6% 1945	95.50	98.00
Can. Cottons 5% 1940	83.00	88.00
Can. Steamship 6% 1941	36.00	40.00
Can. Vickers 6% 1947	73.00	75.00
Cons. Invest. 4½% 1959	43.00	....
Cosmos Imp. Mills 6½% 1944	86.00	89.00
Davies, Wm., 6% 1942	83.00	87.00
Debenture & Sec. 4% 1936	50.00	52.00
Dom. Manufacturers 6% 1933	96.00	....
Dom. Tar & Chemical 6% 1949	70.00	73.00
Dom. Telegraph 5½% 1978 "A"	85.00	87.00
Dom. Textile 6% 1949	93.00	....
Dom. Woollens 6% 1948	....	22.00
Donnacona Paper 5½% 1948	18.00	22.00
Eaton Realty 5% 1949	84.00	....
Famous Players 6% 1948	72.00	74.00
Famous Players 6½% 1948	53.00	56.00
Federal Grain 6% 1949	78.00	80.00
Fraser Co. 6% 1932	16.00	....
Fraser Co. 6% 1950	17.00	....
Galt Brass 7½% 1941	25.00	35.00
Goodyear Cotton 6% 1949	95.00	98.00
Great Lakes Paper 6% 1950	15.00	17.00
Gypsum, Lime & Alab. 5½% 1948	43.00	45.00
Harris Abattoir 6% 1947	85.00	....
Howard Smith 5½% 1953	58.00	62.00
Loew's Toronto 6% Serial	95.00	100.00
London Realty 6½% 1950	52.00	57.00
Maple Leaf Milling 5½% 1949	58.00	61.00
Massey Harris 5% 1947	65.00	67.00
McColl Frontenac 6% 1949	86.00	89.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	40.00	45.00
Metropolitan Bldg. 7% 1944	84.00	90.00
Nor. Ont. Bldg. 6½% 1939	64.00	70.00
Price Bros. 6% 1943	34.00	36.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	68.00	72.00
Simpsons Ltd. 5½% 1949	70.50	....
Simpsons Ltd. 6% 1949	....	74.00
Steel of Can. 6% 1940	102.00	105.00
Toronto Carpet 6% 1944	70.00	80.00
United Gas & Fuel 5½% 1948	54.00	57.00
United Grain Growers 5% 1948	79.00	84.00
United Grain Growers 5½% 1949	88.00	....
Western Grain 6% 1949	68.00	72.00
Public Utility Bonds:		
Bell Telephone 5% 1955	108.00	110.00
Bell Telephone 5% 1957	108.00	110.00
B. C. Power 5% 1960	80.00	85.00
B. C. Telephone 5% 1960	92.00	95.00
Calgary Power 5% 1960	78.00	80.00
Can. Northern Pwr. 5% 1953	70.00	74.00
Duke Price Power 6% 1966	54.00	58.00
Elec. Develop. 5% 1933	110.00	....
French Natl. Mail SS 6% 1952	114.00	120.00
Gatineau Pwr. 5% 1956	71.00	73.00
Gatineau Pwr. 6% 1941	50.00	54.00
Inter. Pwr. 6½% 1957	57.00	59.00
Maclaren Quebec 5½% 1961	74.00	78.00
Manitoba Power 5½% 1951	56.00	59.00
Montreal Isl. Pwr. 5½% 1957	97.50	100.00
Montreal LH&P 5% 1951	104.00	107.00
Montreal LH&P 5% 1970	102.50	105.00
Montreal Tram. 5% 1941 July	97.00	99.00
Montreal Tram. 5% 1955	82.00	84.00
Northwest Utilities 7% 1938	90.00	95.00
Ont. Pwr. Serv. 5½% 1950	80.00	81.00
Ottawa Valley Pwr. 5½% 1970	94.00	96.00
Quebec Power 5% 1968	93.00	96.00
Rio Tramways 5% 1935	85.00	87.00
Shawinigan W & P 4½% 1970	66.75	70.00
Shawinigan W & P 5% 1970	76.00	81.00
Shawinigan W & P 6% 1937	84.00	88.00
Southern Can. Pwr. 5% 1955	93.00	....
West Kootenay Pwr. 5% 1956	91.75	93.00
Government Provincial & Railway:		
C.N.R. 4½% 1951 Dom. Gtd.	98.00	98.75
C.N.R. 4½% 1957 Dom. Gtd.	98.00	99.00
C.N.R. 5% 1969 Dom. Gtd.	105.00	105.50
C.P.R. 4½% 1944	84.00	85.50
C.P.R. 5% 1954	91.00	95.00
C.P.R. 6% 1942	104.75	105.50
Dom. of Can. 5% 1936	102.00	102.50
Dom. of Can. 5% 1941	102.25	103.00
G.T.P. 3% 1962 Dom. Gtd.	76.00	77.50
G.T.P. 4% 1962 Dom. Gtd.	90.50	92.00
Ont. Hydro 5% 1939 Ont. Gtd.	100.00	101.00
Ont. Hydro 4% 1957 Ont. Gtd.	90.00	91.00
Prov. of N.B. 5½% 1950	102.50	103.50
Prov. of Ontario 4½% 1944	101.25	102.00
Prov. of Ontario 5% 1948	102.00	103.00
Prov. of Ontario 5½% 1947	105.25	105.75

Listed Bond Quotations
Week Ending October 31

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Montreal								
Abitibi, 1st mtge.	5	1953	...					
Asbestos	5	1942	...	20	...	...	46	19½
Do., 1st mtge.	6	1941	...	...	...	...	65½	49
Do., gen. mtge.	6	1956	...	...	...	...	*20	14
Can. Cons. Rub.	6	1946	...	...	...	...	*9	...
Can. Cottons	5	1940	...	...	...	...	*69½	...
Can. Forgings	6	1942	...	...	...	...	*91	90
Can. Locomotive	6	1951	...	...	...	...	*100	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	‡96	...
Do. (Way. Ser.)	5½	1958	...	...	...	...	7	5
Can. S. S. debs.	5	1948	7.30	...	...	...	*28½	5
Cedars Rapids	5	1953	5.20	...	...	...	88½	5½
Dom. Canners	6	1940	...	...	97½	...	101	95
Dominion Coal	5	1940	...	...	...	...	‡103	...
McNish	6	1948	...	†45	43	41	50	41
Mex. L. & Pr.	5	1940	...	2.00	3.50	...	3.50	1.00
Mont. LH&P deb.	3	1939	...	45	...	...	*73½	70½
Mont. Tr. 1st mtg	5	1941	5.20	41½	42	41½	44	35
Mont. Trams. "A"	5	1955	6.46	82	...	82½	98⅝	90¾
Do., G. & Ref. "B"							85½	69½
Do., "C"	5	1955	7.45	...	...	...	...	...
Do., "D"	4½	1955	6.43	...	...	...	79¾	78½
N. S. Steel	5	1955	6.62	82	...	...	77½	77
Ontario Steel	5	1959	...	†78	...	...	81	78
Porto R. Pr.	6	1943	5.94	90	...	...	*62½	59
Steel of Canada	5	1936	...	...	...	...	100½	...
Wayagamack	6	1940	5.90	104⅜	...	...	*93	88
Winnipeg Elec.	6	1951	...	...	...	...	102½	109½
Toronto	5	1935	...	...	...	...	*75	45
							86	
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	102½	
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	2.42	109.50	109.75	....	110.00	102.00
Victory Loan	5½	1933	3.80	101.55	101.40	....	101.55	100.25
Do.	5½	1934	4.24	102.25	102.40	102.20	102.40	99.25
Do.	5½	1937	3.82	108.00	....	....	109.75	104.00
Do., refund	4½	1940	4.56	99.25	....	....	98.25	91.50
Do., refund	5	1943	4.70	102.35	102.50	....	102.50	95.38
Do., refund	4½	1944	4.55	98.60	....	....	96.75	89.50
Do., refund	4½	1946	4.60	98.00	....	....	92.25	91.50
Conversion Loan	4½	1956	4.58	98.35	....	....	91.50	88.25
Do.	4½	1957	4.58	98.35	....	....	90.50	88.50
Do.	4½	1958	4.63	99.00	....	....	98.00	88.50
Do.	4½	1959	4.60	100.00	....	....	99.00	88.75
Nat. Service Loan	5	1936	4.38	102.35	102.25	....	102.25	96.25
Do.	5	1941	4.60	102.35	....	....	102.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Winnipeg Grain Prices
Week to November 1

Crop year from Aug. 14, 1932 High	Low		Open Oct. 26	High for week	Low for week	Close Nov. 1
		Wheat				
.60¼	.45½	Oct.	.46⅞	.48¼	.45½	....
.53⅜	.45⅛	Nov.	.47	.48⅛	.45¼	.46⅞
.61⅞	.44⅞	Dec.	.48	.48	.44⅞	.46⅛
.66	.48⅞	May	.52⅛	.52⅛	.48⅞	.50⅛
		Oats				
.27⅞	.22½	Oct.	.22½	.25	.22½	....
.27	.20¾	Dec.	.21¾	.22⅞	.20⅞	.22⅛
.29⅞	.22½	May	.23⅞	.24⅞	.22⅛	.23⅛
.23⅞	.22¼	Nov.	....	.23⅛	.22¼	.23⅛
		Barley				
.35¼	.22⅝	Oct.	.26⅞	.28⅜	.26⅛	....
.35	.25	Dec.	.26⅞	.29⅛	.26⅛	.29⅛
.38¼	.28⅜	May	.28⅜	.30¼	.28⅜	.29⅞
.28½	.27⅞	Nov.	....	.28⅛	.27⅞	.28½
		Flax				
.85	.66	Oct.	.68¼	.70⅜	.66	....
.78	.66	Nov.	....	.70⅛	.66	.67
.87	.66⅜	Dec.	.69½	.71⅞	.66⅜	.68
.94	.71⅜	May	.74⅜	.76¼	.71⅜	.72⅜
		Rye				
.36¼	.25⅞	Oct.	....	.29⅛	.25⅞	....
.38¼	.26½	Dec.	.29½	.30⅛	.26½	.27
.41⅞	.30⅜	May	.33⅜	.35⅜	.30⅜	.31⅛
.26⅜	.26¼	Nov.	....	.26⅜	.26⅛	.26⅝

Unlisted Canadian Stocks
(Furnished by A. J. Pattison, Jr. & Co., Limited
Investment Bankers—Toronto
November 1, 1932

	Bid	Asked
Industrial Stocks:		
Acadia Sugar c.	.55	1.00
Acadia Sugar pfd.	2.80	3.25
Acme Farmers Dairy pfd.	60.00	65.00
Acme Glove pfd. bonus c.	7.00	7.50
Agnew Surpass pf.	61.00	70.00
Allens Beach pfd.	32.00	....
Allens College pf.	32.00	....
Allens Lond. pfd.	32.00	....
Allens St. Catharines pfd.	32.00	....
Allens St. Clair pfd.	32.00	....
Allens Toronto pf.	16.00	....
Andian Nat. Corp.	19.75	22.75
B.C. Pulp & Paper pfd.	4.50	8.00
Burns pfd. bonus com.	5.50	7.50
Can. & Dom. Sugar c.	21.00	22.00
Can. Mach. c.	1.50	4.00
Can. Mach. pfd.	12.00	20.00
Can. Packers c.	11.50	13.50
Can. Packers pfd.	66.75	....
Can. Starch pfd.	62.50	68.00
Can. Tea pfd.	....	54.00
Can. Wire & Cable pfd. W.W.	73.00	75.00
Can. Industries c. "A"	78.00	81.00
Can. Industries c. "B"	76.25	77.25
Can. Industries 7% pfd.	106.50	108.50
Can. Westing.	38.50	40.50
Chase, A. W. Units	20.00	25.00
Claude Neon Gen. Adv. Units	21.00	22.00
Claude Neon Gen. Adv. c.	1.75	2.25
Crescent Creamery pfd.	62.50	70.00
Dom. Foundries & Steel c.	6.00	7.50
Dom. Foundries & Steel pfd.	69.00	73.00
Dom. Mfrs. c.	7.25	....
Dom. Mfrs. pfd.	67.00	....
Dunlop Tire 7% pfd.	41.50	44.00
Eastern Dairies Ltd. pfd.	60.00	64.50
Edmonton Stockyards Units	....	52.00
Fed. Grain pfd.	35.00	39.00
Gen. Steel Wares pfd.	6.25	8.00
Goderich Elevator & Transit	8.25	9.00
Greening Wire 7% pfd.	66.50	69.50
Guardian Realty pfd.	18.00	23.50
Guelph Carpet pfd. bonus c.	65.50	....
Guelph Carpet c.	3.25	....
Inter. City Baking c.	29.00	35.00
Inter. Proprietaries "A"	24.00	25.00
Langleys pfd.	30.00	40.00
Loew's London 7% pfd.	3.00	3.90
Maple Leaf Gdns. pfd. bonus c.	2.50	3.25
Massey Harris pf.	15.50	16.50
Melchers Distilleries "A"	1.40	2.00
Mount Royal Hotel c.	.50	1.25
Mount Royal Hotel pfd.	5.00	7.00
Nat. Grocers c.	1.00	1.60
Nat. Grocers 2nd pfd.	37.50	42.00
National Sewer Pipe "A"	18.00	....
National Sewer Pipe c.	7.50	....
Neilson, Wm. c.	5.00	....
Provincial Paper 7% pfd.	39.00	41.00
Reliance Grain pf.	60.00	....
Rolland Paper pfd. W.W.	31.50	33.50
Standard Clay Products c.	16.00	20.00
Standard Fuel pfd. bonus	55.75	58.00
Supertest Petroleum "B"	17.25	20.00
Toronto Brick pf.	....	39.00
Toronto Carpet com.	....	90.00
Industrial Stocks:		
Toronto Carpet 8% pfd.	....	86.00
Toronto Elevators 7% pfd.	75.00	78.00
Toronto Hous'g c.	14.00	22.00
Western Grain pfd. bonus c.	30.00	33.00
Willards Choc. pfd.	....	22.00
Insurance Stocks:		
Br. Amer. Assce.	31.00	40.00
Canada Life Ass.	375.00	415.00
Can. Fire Ins.	64.25	67.50
Confederation Life 20% pd.	125.50	135.00
Continental Life 20% pd.	42.00	52.00
Crown Life Ins.	110.00	130.00
Dom. Fire Ins.	92.25	100.00
Dom. Life 50% pd.	241.00	270.00
Dom. of Can. Gen. Ins.	120.00	132.00
Excelsior Life 30% pd.	79.00	85.00
Fidelity Ins. of Can.	....	68.00
Great West Life Assce.	239.00	246.50
Guar. Co. of N.A.	226.00	....
Halifax Fire Ins.	10.50	11.25
Imp. Life Assce.	241.00	260.00
Mfrs. Life Ins.	230.00	245.00
Monarch Life 10% pd.	19.00	23.50
National Life 25% pd.	67.00	75.00
Saskatchewan Life 10% pd.	11.25	16.00
Sovereign Life 25% pd.	16.00	20.00
Sun Life Assce.	290.00	310.00
Western Assce. c.	15.25	20.00
Western Life 20% pd.	6.25	....
Trust & Loan Stocks:		
Can. Gen. Invest. Ltd.	3.00	3.25
Chartered Trust	64.00	69.00
Debenture & Sec. pfd.	22.00	....
Eastern Can. Sav. & Loan	112.00	116.00
Eastern Trust	150.00	157.00
Guelph & Ont. Inv. par $50	45.50	51.00
Lambton Loan & Sav.	52.50	58.00
London & Western Trust	81.75	85.00
Investment Foundation Units	15.50	18.00
Mtge. Disc. pfd.	2.35	3.00
Mutual Fin. pfd.	....	2.25
Northern Trust	....	25.00
Premier Trust	85.25	88.00
Provincial Bank	98.25	101.50
Sec. Loan & Sav.	94.50	103.00
Sherbrooke Trust	100.00	110.00
Sterling Trust	54.00	59.00
Traders Fin. c.	1.00	2.00
Traders Fin. pfd.	25.00	33.50
Trusts & Guar.	46.50	....
Victoria Trust & Savings	170.00	....
Waterloo Trust & Savings	96.00	105.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	93.25	94.25
Calgary Pwr. 6% pfd.	71.50	73.00
Can. Light & Pwr. c.	20.00	22.00
Can. West. Nat. Gas LH&P c.	19.00	23.00
Can. West. Nat. Gas LH&P pfd.	70.00	71.50
Great Lakes Pwr. pfd.	....	67.00
Maritime Tel. & Tel. c.	10.75	11.50
Maritime Tel. & Tel. pfd.	10.75	11.50
N.B. Tel. c.	7.50	8.25
Nova Scotia L. & P. pfd.	71.00	80.00
Recent London Quotations:		
Brewer Distillers		4s. 6d.
Can. & For. sec.		3s. 9d.
Can. West. Lumber		9d.
Hudson's Bay		20s.
Do., 5%		72s. 6d.
Internat. Holdings		$1 9/16
Nfld. Pr. & Pap. deb. stock "B"		102½
Trust & Loan of Can.		2s. 6d.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass pref.	7%	1¾%	Jan. 3	Dec. 15
All Can. Trust Sh. c. "A"	...	0.1554	Nov. 1	Oct. 15
Blue Ribbon pref.	$2	50c	Nov. 1	Oct. 28
Bk. Can. Nationale	10%	2½%	Dec. 1	Nov. 15
Bank of Montreal	10%	2½%	Dec. 1	Oct. 31
Bank of Toronto	10%	2½%	Dec. 1	Nov. 15
Borden's c. (No. 91)	$2	50c	Dec. 1	Nov. 15
Belding Corticelli pfd.	7%	1¾%	Dec. 15	Nov. 30
Canadian Oil	$1	25c	Nov. 15	Nov. 1
Do., pref.	8%	2%	Jan. 2	Dec. 20
Can. Hydro-Electric 1st pfd.	6%	1½%	Dec. 1	Nov. 1
Cons. Divers. Std. Secs. 1st pfd.	...	25c	Dec. 1	Nov. 1
Cosmos Imperial pref.	$3.50	87½c	Nov. 15	Oct. 31
Can. Converters	$2	50c	Nov. 15	Oct. 31
Consolidated Sand, pfd.	$2	50c	Nov. 15	Oct. 31
Can. Bank of Commerce	10%	2½%	Dec. 1	Oct. 31
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
East. Theatres c.	$2	50c	Dec. 1	Oct. 31
Growers' Wine "A" pfd.	70c	35c	Nov. 1	
Do., "B" pfd.	70c	35c	Nov. 1	......
Hollinger Gold	65c	5c	Nov. 3	Oct. 20
Lindsay, C. W., pref.	6½%	1⅝%	Dec. 1	Nov. 15
Loblaw Groceterias "A" & "B"	80c	20c	Dec. 1	Nov. 12
Do., bonus	...	20c	Dec. 1	Nov. 12
McIntyre Porc. M.	$1	25c	Dec. 1	Nov. 1
Do., extra	50c	12½c	Dec. 1	Nov. 1
Merland Oil	...	*2½c	Nov. 15	Oct. 31
McColl Frontenac c.	60c	15c	Dec. 15	Nov. 15
National Biscuit	$2.80	70c	Jan. 14	Dec. 16
Do., pref.	$7	$1.75	Nov. 30	Nov. 15
Petrol Oil & Gas	...	1c	Dec. 20	Dec. 1
Penmans	$3	75c	Nov. 15	Nov 5
Quebec Power	$1.50	38c	Nov. 15	Oct. 21
Rolland Paper, pfd.	6%	1½%	Dec. 1	Nov. 15
Royal Bank	10%	2½%	Dec. 1	Oct. 31
Shawinigan W. & Pr.	50c	12c	Nov. 15	Oct. 21
Do.	...	13c	Feb. 15	Jan. 21
Southern Can. Power c.	$1	25c	Nov. 15	Oct. 31
Standard Paving pref.	$2	50c	Nov. 15	Oct. 31

*Initial.

Dividends Passed or Deferred:

Brazilian Traction, Dec. 1 deferred. Last paid 2% stock dividend Sept. 1, 1932.

Canadian Car, com. Nov. 30, passed. Last paid 15c. Aug. 30, 1932.

Ontario Steel Products, pref. Nov. 15 passed. Last paid 1¾% Aug. 15, 1932.

Simon, H. & Sons, pref., Dec. 1, deferred. Last paid 1¾% Sept. 1, 1932.

Extra Dividends:

McIntyre Porc. Mines, 12½c Dec. 1.

Loblaw "A" & "B" 20c. Dec. 1.

Active Provincial and Municipal Bonds
Quotations furnished by A. E. Ames & Co., Canada Permanent Bldg., Toronto, Ont.
November 1st, 1932

	Rate	Actual Maturity	Next Int. Date		
*Alberta	4½	1 Oct. 1958	1 Apr.	91.00	5.13
Alberta	5	1 July 1943	1 Jan.	95.00	5.61
Alberta	6	1 Mar. 1947	1 Mar.	103.00	5.69
*British Columbia	4½	1 Oct. 1953	1 Apr.	92.00	5.13
*British Columbia	5	15 Jan. 1948	15 July	98.25	5.17
British Columbia	6	15 Feb. 1947	15 Feb.	103.00	5.69
*Manitoba	4	1 July 1947	1 Jan.	88.00	5.70
*Manitoba	5	2 Dec. 1959	2 Dec.	96.75	5.22
Manitoba	6	1 Apr. 1947	1 Apr.	102.75	5.72
*New Brunswick	4	1 June 1948	1 Dec.	91.65	4.75
*New Brunswick	4½	15 June 1936	15 Dec.	100.00	4.75
New Brunswick	5½	1 May 1950	1 May	108.50	6.19
*Nova Scotia	4½	15 Nov. 1948	15 Nov.	98.25	4.65
Nova Scotia	5	1 May 1943	1 May	101.00	4.88
*Ontario	4½	1 Sept. 1944	1 Mar.	102.50	4.23
Ontario	5	15 Oct. 1946	15 Apr.	102.75	4.75
Ontario	5½	1 Feb. 1947	1 Feb.	105.75	4.94
P.E.I.	4	1 Apr. 1939	1 Apr.	94.50	5.00
P.E.I.	6	1 May 1947	1 May	108.50	5.18
*Quebec	4½	1 May 1961	1 May	102.53	4.10
Saskatchewan	4½	1 Oct. 1944	1 Apr.	88.00	5.90
Saskatchewan	5	1 Oct. 1950	1 Apr.	92.00	5.72
Saskatchewan	6	15 Mar. 1952	15 Mar.	100.00	6.00
*Newfoundland	5	31 Dec. 1952	31 Dec.	65.00	8.68
*Newfoundland	5½	1 July 1939	1 Jan.	70.00	11.95
*Newfoundland	6½	30 June 1936	30 Dec.	71.00	
CITIES					
*Montreal	5	1 Sept. 1963	1 Mar.	104.87	4.70
*Toronto	4½	1 Jan. 1955	1 Dec.	97.24	4.70
*Vancouver	5	15 Jan. 1970	15 July	95.92	5.25
Winnipeg	5	1 Mar. 1944	1 Mar.	93.35	5.80
*Edmonton	5½	1 Apr. 1947	1 Apr.	90.70	6.50
Calgary	5	1 Jan. 1943	1 Jan.	87.50	6.67
Halifax	6	1 July 1951	1 Jan.	108.95	5.25
Saint John	5	15 Dec. 1950	15 Dec.	97.06	5.25
Regina	4½	1 July 1950	1 Jan.	76.77	6.75
Victoria	5	21 July 1945	21 July	91.06	6.00
Quebec	5	1 June 1948	1 Dec.	100.75	4.93

*Payable in New York.

Winnipeg Stock Exchange
(Transactions for week to Oct. 29)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Oct. 29
		Alta. Pac. Cons.	1	.10	.10	.10
		Alta. Pac. Grain, pfd.	20	.30	.30	.30
		Associated Oil	5	.08	.08	.08
4	6.1	Can. Fire Insur.	5	.65	.65	.65
		Central Manitoba	600	.06	.06	.06
		Eldorado	100	1.15	1.15	1.15
		Home Oil	20	.50	.50	.50
50c	5.5	Imperial Oil	40	.09½	.09	.09½
		Malartic	200	.04	.04	.04
		North Star Oil, c.	50	.01½	.01½	.01½
		San Antonio	1000	.60	.60	.60
7	11.6	Western Grocers, pfd.	5	.60	.60	.60

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Sovereign Life 25% paid	10	..
Beaver Lumb. pf.	..	80	Traders Bldg. Assn	65	..
Can. Nat. Fire	14	..	United Grain	..	12
City Dairy 7% pf.	..	50	West. Breweries	1	1½
City Dairy 8% pf.	..	80	West. St. Prod., pf.	..	30
Crescent Cream pf.	..	65	Can. Amer. Tr. shs.	..	2⅞
Great West Life	235	245	Fundamental Series "A"	..	3¼
Home Invest. & Sav.	25	..	Fundamental Series "B"	..	3⅜
Monarch Life 10% paid	15	..	Grouped Inc. shs.	..	3.62
Pelissiers pref	10	..			
Nor. Can. Mtg. pf.	..	15			
Reliance Grain pf.	..	60			

*Stocks more active on other exchanges not included.

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CANADA LIFE
EIGHTY-FIFTH ANNIVERSARY

Tashota Gold Mines Plans to Reorganize

An adjourned annual meeting of shareholders of Tashota Gold Mines is called for November 8 in Montreal to authorize the disposal of the company's mining property, consisting of eight claims in the Kowkash mining area in Ontario, to a new company to be formed. The new company is to have a capitalization of $3,000,000 in $1 par value shares, 900,000 of which will be issued to Tashota Gold Mines in exchange for its property. In addition the new company undertakes to pay all the liabilities of the present company, up to $15,000.

The reorganization provides for funds to conduct further development. In 1929 a shaft was sunk to a depth of 200 ft. and levels established at 100 and 200 ft. but the failure of Stobie Forlong & Co., the company's fiscal agent, forced operations to suspend. Subsequent efforts to refinance have met with failure.

Municipal Bond News

FOR over forty years this organization has been devoting its efforts exclusively to the publication of accurate State and municipal bond news. Not "flash" items or rumors, but carefully prepared news covering all the technical requirements of the municipal market have been responsible for its recognition as "The Authority on Municipal Bonds." It is, therefore, the logical medium for municipal bond sale advertising.

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Assets exceed $70,000,000.

Federal Mines Report Sounds Optimistic Note

Much Valuable Work Completed But Reduced Staffs Curtail Work of Geological Survey

The annual report of the Department of Mines of Canada for the fiscal year ended March 31, 1932, makes the emphatic declaration that measured by its resistance against the trend to curtailment in production and by its ability to continue to produce in the face of severe economic conditions, Canada's mining industry has won for itself an outstanding position in the economic structure of the Dominion.

During the past year a fully-equipped mineragraphic laboratory for the microscopic and spectrographic examination of ores and minerals was added to the Department's faciilties.

Large scale technical tests were also carried out on certain Canadian coals to demonstrate their suitability for the production of good domestic coke and gas, when mixed with other coals. The ceramics division continued to render valuable service to the industry by putting into commercial use new processes devised in the laboratories.

The activities of the Mineral Resources Division included the preparation of a report of the pitchblende and silver occurrences at Great Bear Lake and an investigation as to the properties of Canadian sand for sand blasting. The economic possibilities of Canadian sandstone for the manufacture of mineral wool and Canadian diatomite deposits also came in for further study.

The activities of the geological survey were somewhat curtailed but 41 parties were conducted in field investigations as compared with 56 parties in the previous year. This Department is the oldest organization in the government service of Canada and is celebrating its ninetieth year of existence.

The report comments on the present situation in the industry as follows:

"Throughout the industry there is the feeling that present conditions are temporary as well as sub-normal, and confidence that the maintenance of modern civilization demands the increasing use of iron and steel, copper, nickel, lead, zinc and non-metallic minerals in industrial fields, with constantly expanding use of the rarer minerals in the field of science and research.

"Canada is one of the few new countries of the world to possess known large resources of minerals and Canadian producers are themselves confident of profitably operating these resources. In the past five years they have spent millions of dollars in their development; huge plants have been built to treat and concentrate the ores and modern smelting and refining equipment has been installed to process further the resulting product. As a result of these various activities, the Dominion can at any time rapidly increase her mineral production, and this increase may be expected just as soon as a larger output is justified by general economic conditions.

"Canada's mining industries find employment for a capital investment of nearly a billion dollars and absorb the labor of nearly 100,000 men."

Conference in N. Y. To Follow U. S. Vote

Advice from New York states that immediately following the United States presidential election another conference of the world copper producers will be held to discuss stabilization. It is understood that early in November a representative is expected from the Union Miniere du Haut Katanga, the big Belgium controlled property in Belgian Congo, as well as representatives from the Roan Antelope and Rhokana Corp., the big producers in Northern Rhodesia.

Mining Institute to Hear Of New Guinea Gold Field

Members of the Toronto Branch of the Canadian Institute of Mining & Metallurgy are to have the opportunity of listening to V. W. VanLaw, an eminent mining engineer of New York, at a meeting to be held on November 7.

Mr. VanLaw has just returned from a prolonged stay in New Guinea and is now visiting Canada as a guest of the Canadian Institute of Mining & Metallurgy in company with E. J. Carlyle, secretary of the Institute.

New Guinea, the world's newest gold field, is a little known tract. It is the largest island next to the island continent of Australia. While the shores of this equatorial island are well known, the interior, inhabited by primitive tribes still living in the stone age, some of which are head hunter cannibals, is still largely unknown to white men. There are no railways on the island and no roads except at the coast and until recently not even a pack trail into the interior.

The lure of gold is rapidly changing all this under British mandate of New Guinea, administrated by Australia. Prospectors have found spectacular showings of gold in the gravel and also in the veins in the bed rock. As a consequence gold dredges have been carried to the interior by giant aeroplanes and now gold dredging is in full swing and mining plants are winning gold from the quartz veins.

Following the Toronto meeting, Mr. VanLaw will be accompanied by Mr. Carlyle, on a tour of Northern Ontario where he will address the northern mining men on the same subject.

Petrol Oil Declares One Cent Dividend

An interim dividend of one cent per share will be paid by Petrol Oil & Gas Co. on December 20, 1932, to shareholders of record December 1.

This is the second dividend of one per cent per share to be declared this year, each disbursement being approximately $11,000. A total of $82,000 was paid in dividends between 1921 and 1927 when payments were suspended to be resumed in June last.

BUFFALO ANKERITE RENAMES OLD CO.

Former Gold Producer Makes Good Showing in Renewed Effort

The current issue of the Ontario Gazette lists a new name for an old Ontario gold producer—Buffalo Ankerite Gold Mines Ltd. The present company is an outgrowth of the Ankerite Gold Mines incorporated in 1925 to develop and bring into production the Ankerite group of claims, about three miles from the Hollinger and McIntyre Mines in the Porcupine district.

The company was originally sponsored by English interests, which acquired the claims from the North American Gold Corp. of Delaware to whom they were deeded by the old Ankerite Mining Co. In 1924 an option on these claims was exercised by the Porcupine Gold Fields Development & Finance Co. of London, Eng., which, in 1925, formed the Ankerite Gold Mines. When the Porcupine Gold Fields Development & Finance Co. went into liquidation in 1930 the properties were purchased by the Ankerite Holding Corp. composed of a Buffalo group which subsequently transferred them to the Ankerite Gold Mines Syndicate, which completed the purchase of the property. The operations which had been suspended in 1930 were resumed on May 1, 1932, and have continued since on a profitable basis. Upon incorporation of the present company last month, it acquired title to the property subject to a mortgage of $21,000.

Costs $3.50 Per Ton

Production between 1926 and 1929 totalled $861,697, while in the five months ended September 30, 1932, production has amounted to $131,648, plus the exchange compensation. During the last three months recovery has averaged $4.80 per ton of ore treated, with the mill averaging 205 tons daily. From these operations an operating profit of $9,419 was made in August while the September operating profit was $12,470. Production costs have been less than $3.50 per ton for several months and indications are that further economies are imminent.

The reestablishing of this former producer in the ranks of profitable mines is another instance of the present era of prosperity for the gold producers.

Mining Stock Quotations

Week Ending October 31

Par Val.	Range 1932 High	Low	Company	Sales	Close Oct. 24 (or last)	High for week	Low for week	Close Oct. 31
1	.06	.03	Abana	500	.04½	.04½	.04½	.04½
1	.03	.00½	Aconda	500	.01	.01	.01	.01
No	.15	.15	Aldermac	......	.15	.....	.....	.....
No	.20	.04	Algoma	53,200	.05½	.06	.04	.04
1	.09	.00½	Alexandria	13,500	.02	.02	.02	.02
1	.01½	.00½	Algonquin	4,000	.00½	.00½	.00½	.00½
1	.01½	.00½	Amity C.	......	.01	.....	.....	.....
No	.36	.06	Amulet	4,850	.20	.20	.17	.19
1	.00½	.00½	Apex	......	.00½	.....	.....	.....
1	.04	.01	Area	2,500	.03½	.02½	.02½	.02½
No	.03½	.00½	Arno	104,500	.01½	.02½	.01½	.02
1	.02½	.02	Astoria Rouyn	......	.02½	.....	.....	.....
1	.07	.02½	Bagamac	......	.03	.....	.....	.....
1	.01½	.00½	Baldwin	......	.01	.....	.....	.....
1	.12	.03	Barry Hollinger	6,050	.04	.04	.03	.03
No	1.45	.30	Base Metals	550	.90	1.00	.90	.90
No	.12	.01	Bidgood	5,000	.01½	.02	.01½	.01½
1	.21	.04	Big Missouri	12,450	.16	.18	.13½	.13½
1	.11½	.02	Bobjo	55,600	.08½	.08½	.06½	.07½
1	.23	.02½	Brett Trethewey	19,200	.17	.17½	.16	.16
No	.03	.00½	Brownlee	22,000	.01½	.01½	.01½	.01½
1	.01	.00½	Buckingham	......	.00½	.....	.....	.....
No	.36	.02	Buffalo Can.	2,500	.02½	.02½	.02½	.02½
No	.04	.01	Bunker Hill	4,500	.02	.02	.01½	.01½
5s	1.03	.10	B'Wana McKubwa	......	.80	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
No	.04	.02	Canam Metals	......	.02	.....	.....	.....
1	.04	.01½	Can. Kirkland	3,000	.02	.02½	.02½	.02½
1	.09	.00½	Canuss	12,000	.02½	.03½	.02	.03
No	.02½	.00½	Capital Rouyn	2,000	.00½	.00½	.00½	.00½
1	.07	.02½	Cartier Malartic	2,000	.03	.03	.03	.03
1	.21½	.09	Castle Trethewey	3,100	.14	.13½	.13	.13½
1	.09½	.04	Cen. Manitoba	8,400	.04½	.07	.05½	.07
1	.16	.02	Cen. Patricia	7,137	.13	.13	.11	.11½
No	.07½	.01½	Chibougamau Pros.	2,500	.04	.04	.04	.04
No	.02	.00½	Clericy	40,500	.01½	.01½	.01	.01
5	5.00	.45	Coast Copper	755	2.65	2.70	2.50	2.50
1	.02½	.00½	Cobalt Contact	2,500	.01½	.01½	.01½	.01½
No	.16	.15	Cobuc	......	.15½	.....	.....	.....
1	.14	.03	Columario	65,800	.11	.14	.10	.13½
5	1.10	.69	Coniagas	......	1.00	.....	.....	.....
No	.50	.23	Coniaurum	1,000	.23	.28	.25	.25
25	102.00	25.00	Cons. Smelters	960	68.00	69.50	65.00	68.00
No	13.25	9.00	Dome Mines	3,858	12.50	13.00	12.30	12.65
No	.10	.02	Dom. Explorers	8,100	.03½	.03½	.03½	.03½
	.00½	.00½	Dominion Kirk.	......	.00½	.....	.....	.....
1	.04	.00½	Don Rouyn	1,000	.02	.02	.02	.02
	.04	.03	Duparquet	......	.03	.....	.....	.....
1	1.60	.76	Eldorado	14,415	1.25	1.28	1.15	1.20
No	2.40	.47	Falconbridge	6,180	1.90	1.85	1.63	1.65
1	.04	.00½	Federal	13,500	.01½	.01	.00½	.00½
No	.01½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.07	.00½	Gem. Lake	......	.01½	.....	.....	.....
1	.03	.00½	Goldale	......	.01½	.....	.....	.....
10	.24	.05½	Goldfield	......	.22	.....	.....	.....
1	.00½	.00½	Gold Hill	......	.00½	.....	.....	.....
1	.04	.02½	Goodfish	3,500	.03	.03	.03	.03
1	.03½	.00½	Graham	......	.01½	.....	.....	.....
1	1.25	.50	Granada	6,850	.72	.71	.67	.70
1	.22	.06	Groselle	......	.08	.....	.....	.....
1	.03½	.01	Harker	1,500	.02	.02	.01½	.02
1	.01½	.00½	Hilltop	5,000	.00½	.00½	.00½	.00½
5	5.80	4.25	Hollinger	2,430	5.05	5.25	5.05	5.05
1	.72	.26	Howey Gold	21,925	.52	.55	.49	.53
No	5.30	.92	Hudson Bay	3,245	3.10	3.10	2.50	2.90
No	.20	.13	Huronian	......	.13	.....	.....	.....
No	13.50	4.00	Int. Nickel	14,159	8.62	9.00	8.12	8.50
1	.01½	.00½	Jackson Manion	......	.00½	.....	.....	.....
1	.25	.19	Keeley	2,625	.22	.22	.19	.20
1	.02½	.00½	Keora Mines	500	.01	.00½	.00½	.00½
1	.70	.40	Kirk. Hud. Bay	1,600	.54	.54	.50	.50
1	.02½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.55	.19	Kirkland Lake	11,200	.27	.28	.26	.27
1	.03½	.00½	Kirkland Premier	2,000	.01½	.01½	.01½	.01½
1	.15½	.05	Kirk. Townsite	6,500	.14½	.14½	.11½	.12½
20c	.01½	.00½	Koot. Florence	2,000	.00½	.00½	.00½	.00½
1	.01½	.00½	La Rose	......	.01½	.....	.....	.....
1	.41	.14	Lakeland	......	.15	.....	.....	.....
	.24	.20½	Lake Maron	28,750	.21	.24	.21	.23
1	30.25	24.90	Lake Shore	3,430	29.25	29.50	29.05	29.05
1	.00½	.00½	Laval	......	.00½	.....	.....	.....
1	.07	.01½	Lebel Oro	......	.01½	.....	.....	.....
1	.41	.13	Macassa	24,100	.17	.17½	.15	.16
1	.07	.01½	Malartic	......	.03	.....	.....	.....
1	.04	.00½	Malrobic	127,000	.02½	.02½	.01½	.02
No	.08	.02	Mandy	......	.07	.....	.....	.....
No	.02	.00½	Manitoba Basin	14,500	.01	.01½	.00½	.01
5	21.35	14.70	McIntyre	6,400	18.90	20.25	18.70	19.00
1	.35	.25	McKinley	......	.30	.....	.....	.....
No	.09½	.02½	McLeod River	16,500	.03½	.03½	.03	.03½
No	1.85	.58	Mining Corp.	4,500	1.38	1.38	1.20	1.25
1	.08½	.01½	Moffatt Hall	18,100	.02	.02	.01½	.01½
1	.02½	.02	Moneta	......	.02	.....	.....	.....
1	.45	.19½	Moss	10,800	.27	.27	.24½	.25
1	.02½	.00½	Murphy	42,000	.00½	.00½	.00½	.00½
No	.06½	.01	Newbec	9,300	.04½	.04½	.04	.04½
5	1.45	.80	Nipissing	1,350	1.11	1.10	1.03	1.10
No	23.25	12.50	Noranda	13,500	19.25	20.25	18.50	19.40
No	.39	.10	Nor. Canada	5,500	.37	.35	.30	.30
No	.01	.00½	Old Colony	......	.00½	.....	.....	.....
1	.09	.05	Osisko	1,000	.07	.06	.06	.06
1	.17	.07	Parkhill	......	.10	.....	.....	.....
1	.13½	.11	Patricia Dent	......	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk.	......	.01½	.....	.....	.....
No	1.25	.35	Pend Oreille	4,850	.80	.70	.60	.60
1	.01½	.00½	Peterson Cobalt	......	.00½	.....	.....	.....
1	4.70	3.00	Pioneer Gold, B.C.	1,235	4.30	4.35	4.15	4.15
1	.00½	.00½	Porcupine Crown	......	.00½	.....	.....	.....
1	.02	.00½	Potter Doal	1,500	.01	.00½	.00½	.00½
1	.12	.12	Powell Rouyn	......	.12	.....	.....	.....
1	.75	.32	Premier Gold	4,800	.58	.55	.50	.53
1	.00½	.00½	Preston E. Dome	......	.00½	.....	.....	.....
No	1.00	.15	Prospectors Air's	7,100	.90	1.00	.70	1.00
No	1.00	1.00	Quebec Pros.	......	1.00	.....	.....	.....
No	.10	.03	Quemont	600	.08	.07	.07	.07
1	.02½	.00½	Ribago	19,000	.00½	.01½	.00½	.00½
1	.02½	.01	Ritchie	5,500	.01	.01½	.01	.01
1	.02½	.00½	Robb Montbray	......	.01½	.....	.....	.....
1	.70	.25	San Antonio	2,158	.61	.62	.55	.60
1	.09	.07½	Seven Troughs	......	.07½	.....	.....	.....
1	.77	.18	Sherritt Gordon	22,480	.45	.46	.35	.40
1	1.00	.50	Siscoe	23,900	.74	.77	.74	.76
1	.06½	.00½	South Keora	4,000	.04½	.04½	.04	.04½
No	.02½	.00½	Stadacona	38,700	.02	.02	.01½	.01½
1	.17	.05	St. Anthony	......	.06	.....	.....	.....
No	.90	.16	Sudbury Basin	3,600	.55	.53	.50	.53
1	.02½	.00½	Sudbury Contact	......	.02½	.....	.....	.....
1	.01	.00½	Sudbury Mines	6,000	.00½	.00½	.00½	.00½
1	.22	.07	Sullivan	4,700	.15	.15	.14	.14
1	.87	.39	Sylvanite	19,600	.61	.67	.58	.64
1	.07	.01	Tashota	135,000	.03	.03	.02½	.02½
1	5.25	3.07	Teck Hughes	37,145	3.17	3.24	3.07	3.20
1	.07½	.02	Thom Cadillac	......	.03	.....	.....	.....
1	.40	.10	Towagmac	1,675	.20	.20	.12	.17
1	3.00	1.01	Treadwell	200	1.50	1.30	1.05	1.05
1	.09½	.02	United Kirkland	......	.05	.....	.....	.....
1	.12	.00½	Vacuum Gas	34,600	.11	.11	.08½	.08½
No	1.10	.15	Ventures	44,205	.68	.66	.55½	.58½
1	.18	.04	Vickers	3,000	.15	.14	.13	.13
1	.45	.20	Vipond	4,550	.20	.21	.21	.21
No	1.01	.25	Waite Ackerman	550	.50	.50	.50	.50
1	.08	.01	White Lake	1,500	.04½	.04½	.04½	.04½
1	.01	.01	Wiltsey Coughlan	......	.01	.....	.....	.....
	.10	.04½	Wood Kirkland	2,000	.05	.05	.05	.05
No	3.15	2.09	Wright-Hargreaves	9,860	2.76	2.85	2.66	2.77
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	11,300	.11½	.11	.10	.10½
1	1.17	.60	Ajax	2,050	.76	.75	.72	.75
1	.18	.04½	Alta. Pacific	......	.01½	.....	.....	.....
1	.03½	.02	Askalta	......	.03½	.....	.....	.....
No	.20	.02	Associated	750	.10	.09	.06½	.08
No	.09	.01	Baltac	......	.02	.....	.....	.....
1	.05½	.00½	Benton	......	.00½	.....	.....	.....
1	.05	.02½	Brit. Dominion	......	.03½	.....	.....	.....
No	.60	.14	Calgary & Ed.	300	.40	.38	.35	.35
1	.15	.04	Calmont	......	.06	.....	.....	.....
1	.14	.03	Common. Pete.	500	.07	.06½	.06½	.06½
No	.40	.05½	Dalhousie	400	.20	.20	.16	.16
No	.01	.01	Devenish	......	.01	.....	.....	.....
No	.02	.00½	Dome Oil	......	.00½	.....	.....	.....
No	.16	.04	East Crest	......	.04	.....	.....	.....
No	.01½	.01½	Fabyan Pete	......	.07	.....	.....	.....
No	.25	.05	Foothills	......	.01½	.....	.....	.....
No	.08½	.02	Freehold	......	.02	.....	.....	.....
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.06½	.03	Hargal	......	.03	.....	.....	.....
No	.05	.02	High Sarcee	......	.02	.....	.....	.....
No	.85	.15	Home	1,600	.44½	.42	.31	.40
No	.05	.01½	Homestead	......	.01½	.....	.....	.....
1	.50	.09	Homestead O. & G.	75,300	.20	.22½	.16	.18
1	.01	.00½	Illinois Alberta	......	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	......	.00½	.....	.....	.....
No	.10	.04	Lowery	......	.04	.....	.....	.....
No	.02	.00½	Madison	......	.00½	.....	.....	.....
1	.32	.05½	Mayland	2,200	.20	.19	.17	.17
No	.04	.01	McDe. Segur Ex.	......	.01	.....	.....	.....
1	.04½	.02	McD. Segur N.	......	.02	.....	.....	.....
1	.50	.18	McLeod	......	.18	.....	.....	.....
No	.10½	.06½	Mercury	......	.07½	.....	.....	.....
No	.22	.06½	Merland	7,800	.20	.16½	.15	.15
No	.15	.08½	Mill City Pete	......	.08½	.....	.....	.....
1	.28	.12½	Model	......	.13	.....	.....	.....
1	.05	.04	Monalta	......	.05	.....	.....	.....
1	.07	.03	Moose Mountain	......	.03	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.01	Nordon	19,450	.10½	.10½	.09	.09
No	.06	.02	Oil Selection	8,500	.03	.03½	.03½	.03½
No	.05	.02½	Okalta	......	.03	.....	.....	.....
100	15.00	15.00	Do., pref.	......	15.00	.....	.....	.....
No	.32	.09	Olga Gas & Oil	20,800	.15½	.19	.14½	.19
No	.20	.02	Penn. Pete	121,200	.14½	.14½	.11½	.11½
No	20.00	20.00	Perfection Pete pfd.	......	20.00	.....	.....	.....
1	.28	.12	Petrol Oil & Gas	......	.15	.....	.....	.....
No	.14	.08	Ranchmen's	......	.09	.....	.....	.....
No	.02½	.00½	Regent	......	.00½	.....	.....	.....
1	.01	.01	Richfield	......	.01	.....	.....	.....
No	9.85	3.95	Royalite	202	7.00	8.00	7.50	7.50
1	.29½	.05	Sarnia Oil	7,000	.18	.16	.12	.12
1	.03	.01	Signal Hill	......	.01	.....	.....	.....
No	.12	.05	South West Pete	......	.05	.....	.....	.....
1	.20	.10	Spooner	......	.15	.....	.....	.....
No	.21	.05½	Sterling Pacific	3,900	.14	.15	.12½	.13
1	.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	.09½	.03	Vulcan	......	.03	.....	.....	.....
No	.02½	.00½	Wainwell	1,000	.01½	.01½	.01½	.01½
			VANCOUVER STOCK EXCHANGE (Transaction for Week to October 25)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.05½	.03½	Beaver Silver	2,000	.03½	.03½	.03½	.03½
25c	.04	.01	Bluebird	......	.04	.....	.....	.....
No	.81	.50	Bralorne	3,377	.65	.70	.66	.67
1	.12	.04	Bridge River Cons.	12,100	.05	.05½	.04½	.04½
25c	.01½	.01	Cork Province	......	.01	.....	.....	.....
1	.13	.02	Cotton Belt	......	.03	.....	.....	.....
1	.02	.01½	Dalhousie Mines	......	.01½	.....	.....	.....
1	1.00	.15	George Copper	247	.45	.50	.45	.50
50c	.02	.01	Geo. Enterprise	......	.01	.....	.....	.....
1	.05	.01	Georgia River	41,300	.03½	.04½	.03½	.03½
1	.35	.10	Golconda	......	.18	.....	.....	.....
50c	.08	.02	Grandview	3,200	.04	.04	.04	.04
1	.01	.00½	Independence	......	.00½	.....	.....	.....
1	.01½	.01	Indian Mines	......	.01	.....	.....	.....
1	.13	.08	Inter. Coal	......	.12	.....	.....	.....
1	.21	.13	Jack Waite	......	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
10c	.04	.01	Lucky Jim	......	.01	.....	.....	.....
5c	.12	.04	Metaline Metals	1,000	.06	.06	.06	.06
1	.03	.00½	Morton Woolsey	3,500	.01	.01	.01	.01
50c	.03½	.01	National Silver	2,500	.02	.02	.01	.01
50c	.08½	.02	Noble Five	4,800	.03½	.03½	.03	.03½
50c	.01	.01	Oregon Copper	......	.01	.....	.....	.....
1	4.60	3.00	Pioneer Gold	1,525	4.45	4.35	4.20	4.20
50c	.08½	.02	Porter Idaho	......	.04½	.....	.....	.....
No	.01	.00½	Premier Border	11,000	.00½	.00½	.00½	.00½
No	.35	.07½	Reeves McDonald	575	.23	.21	.20	.20
1	.63	.21½	Reno Gold	46,050	.58	.63	.58½	.60
1	.02½	.01	Rufus Argenta	......	.01½	.....	.....	.....
1	.05	.02½	Ruth Hope	200	.02½	.02½	.02½	.02½
1	.05	.02	Silverado	......	.03	.....	.....	.....
25c	.02½	.01	Silver Crest	1,300	.01½	.01½	.01	.01
50c	.02½	.00½	Snowflake	5,000	.01½	.01½	.01	.01
1	.79	.28	Sunloch	100	.75	.28	.28	.28
20c	.02½	.01	Wellington	1,000	.02	.01	.01	.01
1	.06½	.00½	Whitewater	3,000	.05	.04½	.04½	.04½

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	12c.		Petrol Oil	1c.	
Coniaurum	3c.		Premier	12c.	22.64
Dome Mines	$1+10c.	8.69	Pioneer, B.C.	12c.	2.89
Hollinger	65c.	12.87	Royalite	50c.	
Howe Sound	[illegible]		Siscoe	4c.	
Lake Shore	$2+50c.	8.60	Sterling Pac. Oil	2½c.	
McIntyre	$1.50	7.89	Sylvanite	4+½c.	7.03
McLeod Oils	5c.		*Teck Hughes	60c.	18.74
Merland Oil	2½c.		Wright-Har.	10+2½c.	4.51
Noranda	50c.	2.57			

Nine Months Ontario Gold Output Valued at $34,788,569

Analysis of Individual Producers Output Shows Leaders Maintaining Operations at High Levels

Exclusive of the gold recovered from nickel-copper mining and other miscellaneous sources, the total value of production from gold mining in Ontario, including a small value of silver, during the first nine months of 1932 was $34,788,569 as against $31,415,336 for the corresponding period of the previous year, according to the Ontario Department of Mines. The increase was therefore $3,373,232 or 10.7 per cent.

Reference to the table which follows indicates that the Porcupine area with seven mines increased its ore milled by 7.9 per cent and its value by 6.2 per cent as compared with the 1931 period. Kirkland Lake camp (seven mines) showed gains of 6.8 per cent in ore milled and 11.8 per cent in value while the corresponding figures for Northwestern Ontario were 84.0 per cent and 85.4 per cent. The Kirkland Lake area was again the largest producer, its lead over the Porcupine group being 13.1 per cent in value as against a 7.4 per cent gain for the corresponding period of 1931.

The following tabulation shows the production by quarters from the leading Ontario mines, together with the nine months' total for 1932, compared with the corresponding period in 1931.

KIRKLAND LAKE AREA

Barry-Hollinger

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	8,870	8,811	8,817	26,498	23,989
Total rec., $	38,868	36,951	40,165	115,984	169,742
Rec. per ton, $	4.37	4.19	4.56	4.38	7.10
Tons daily	97	97	97	97	87

Kirkland Lake Gold

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	14,351	13,431	13,911	41,693	38,778
Total rec., $	128,279	145,647	141,009	414,935	438,750
Rec. per ton, $	8.98	10.86	10.15	9.98	11.50
Tons daily	156	148	153	152	142

Lake Shore

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	204,645	203,997	204,869	613,511	603,930
Total rec., $	3,023,924	3,327,076	3,027,000	9,378,000	7,843,694
Rec. per ton, $	14.71	16.30	14.78	15.30	12.90
Tons daily	2,220	2,220	2,225	2,220	2,115

Sylvanite

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	24,616	25,160	23,265	73,041	67,852
Total rec., $	199,488	217,232	213,785	630,505	677,569
Rec. per ton, $	8.66	8.66	9.19	8.62	10.05
Tons daily	267	276	255	266	246

Teck-Hughes

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	119,600	118,200	118,300	356,100	322,110
Total rec., $	1,395,640	1,686,810	1,442,898	4,524,318	4,684,038
Rec. per ton, $	11.65	14.26	12.20	12.80	14.50
Tons daily	1,300	1,300	1,300	1,300	1,177

Toburn

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932*	9 Mos. 1931
Tons milled	5,198	....	....	5,198	....
Total rec., $	67,744	....	....	67,744	....
Rec. per ton, $	13.02	....	....	13.02	....
Tons daily	100	....	....	100	....

*Production started in August, 1932.

Wright-Hargreaves

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	74,127	73,465	73,102	220,694	194,726
Total rec., $	943,688	894,939	842,048	2,680,675	2,107,478
Rec. per ton, $	12.73	12.17	11.52	12.17	11.80
Tons daily	805	806	804	805	712

PORCUPINE AREA

Buffalo-Ankerite

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932*	9 Mos. 1931
Tons milled	18,857	11,371	....	30,228	....
Total rec., $	90,322	41,326	....	131,648	....
Rec. per ton, $	4.80	3.63	....	4.35	....
Tons daily	205	190	...	199	....

*Mill started May 1, 1932.

Coniaurum

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	36,327	36,262	35,462	108,054	97,904
Total rec., $	210,617	207,952	234,645	653,214	525,678
Rec. per ton, $	5.81	5.75	6.62	6.04	5.37
Tons daily	395	398	390	394	357

Dome

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	132,150	134,350	133,450	399,950	406,350
Total rec., $	967,675	1,144,883	960,560	3,073,118	2,683,517
Rec. per ton, $	7.33	8.52	7.20	7.69	6.61
Tons daily	1,435	1,477	1,466	1,470	1,485

Hollinger

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	448,270	427,452	415,367	1,291,089	1,225,780
Total rec., $	2,630,944	2,480,981	2,347,575	7,459,500	7,533,081
Rec. per ton, $	5.87	5.80	5.65	5.77	6.14
Tons daily	4,870	4,700	4,565	4,730	4,500

McIntyre-Porcupine

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	182,160	184,113	168,572	534,845	440,825
Total rec., $	1,318,780	1,283,612	1,408,329	4,010,721	3,479,221
Rec. per ton, $	7.24	6.97	8.35	7.50	7.90
Tons daily	1,980	2,023	1,852	1,950	1,612

March

	3rd quar. *1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	1,252	11,777	13,782	26,812	44,393
Total rec., $	6,773	24,005	41,123	71,901	164,827
Rec. per ton, $	5.40	2.04	2.98	2.68	3.72
Tons daily	....	130	151	145	162

*Suspended in July.

Vipond

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	27,096	26,778	25,604	79,478	75,279
Total rec., $	111,629	114,929	120,016	346,574	433,939
Rec. per ton, $	4.13	4.30	4.60	4.36	5.77
Tons daily	294	294	282	290	257

NORTHWESTERN AREA

Howey

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	84,929	83,107	74,762	242,798	147,011
Total rec., $	256,000	321,872	278,632	856,504	613,471
Rec. per ton, $	3.15	3.87	3.73	3.54	4.17
Tons daily	923	913	821	885	538

Minto

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931
Tons milled	4,865	4,700	4,685	14,250	5,561
Total rec., $	42,431	45,294	37,774	125,499	26,988
Rec. per ton, $	8.73	9.63	8.06	8.80	4.85
Tons daily	53	52	51	52	31

Moss

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932*	9 Mos. 1931
Tons milled	7,806	9,000	....	16,806	....
Total rec., $	62,919	54,136	....	117,055	....
Rec. per ton, $	8.06	6.00	....	6.96	....
Tons daily	85	99	....	92	....

*Started production in March.

Parkhill

	3rd quar. 1932	2nd quar. 1932	1st quar. 1932	9 Mos. 1932	9 Mos. 1931*
Tons milled	3,202	5,234	4,401	12,837	3,668
Total rec., $	47,929	46,306	31,982	126,217	17,377
Rec. per ton, $	15.00	8.86	7.26	9.85	4.72
Tons daily	35	57	48	46	20

*Started in July.

Atlantic Keystone Meets Trouble at Every Turn

Atlantic Keystone Petroleum Co. which a couple of years ago figured prominently in Alberta for its promotional activities has fallen upon evil days. The Dominion Government is seeking to collect lease rentals, a Calgary supply firm has a judgment against the company for supplies and the company's drilling outfit, on the Ghost River structure, has been seized by the sheriff.

Word comes from New York that the United States Attorney-General's Department has started action to restrain the sale of the company's shares and has entered action, both against the Canadian and American company and individuals connected with the promotion of the stock, claiming that the price of $5 being asked is arbitrary and excessive. J. W. Hefferman, formerly of Edmonton but now of San Francisco, was prominent in the company's activities. Frank L. Buckley, of Vancouver, vice-president of the company, is the only Canadian known to be connected with the company.

Metal Prices

..New York—November 1—
Copper: Electrolytic spot, 5¼c. to 5⅜c. lb.
London—November 1—
(Long Ton)—
Copper: Electrolytic spot, £35 5s; future, £35 15s.
Standard spot, £30 5s; future, £30 7s 6d.
Tin: Spot, £152 10s; future £153.
Lead: Spot, £11 17s 6d; future £12 2s 6d.
Zinc: Spot, £15; future, £15 7s 6d.
Silver: 18-3/16 per ounce.

Gas Conservation Validity Heard in Calgary This Week

The appeal of Spooner Oils against the judgment of Mr. Justice Ewing, declaring the Turner Valley Gas Conservation Act valid legislation, will be heard by the Appellate Court of Alberta in Calgary this week.

Numerous delays and postponements have been made in hearing the Spooner case. The company claims that the Act should be carried beyond the powers of the legislature and therefore the Gas Board has no power to enforce conservation in Turner Valley. Regardless of what ruling is made, further appeals seem almost certain to carry the case to the Supreme Court of Canada and thereafter to the Privy Council.

Dominion Steel and Coal Starts Work on Rail Order

From Our Own Correspondent

MONTREAL.—The Sydney steel plant of Dominion Steel & Coal Corp. has resumed operations after a considerable period of idleness. The chief order on hand comprises a contract for 15,000 tons of rail for the Canadian National Railways, which is expected to keep the plant going on single shift until January 1. Reports have been current that further rail orders may be received but official confirmation is lacking.

Salmon Pack Shows Increase

The canned salmon pack in British Columbia to mid-October this year totals 1,000,208 cases which represents an increase of 338,177 cases over the corresponding period of 1931.

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Shawinigan Falls Business Survey

A preliminary tabulation for the Census of Merchandising and Service Establishments shows a retail business for Shawinigan Falls during the year 1930 of more than $3,000,000.

INDUSTRIAL ACCEPTANCE CORPORATION Limited
Commercial and Industrial Bankers
Head Office—Windsor, Ontario

Harris Abattoir Extends Plant

The Harris Abattoir (Sask.) Limited has completed its addition to the plant built in Moose Jaw in 1926 and converted the whole plant into a Government Inspected Packing Plant with a capacity of 600 hogs and 100 cattle a day. It will serve the territory contributory to Moose Jaw.

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THE FINANCIAL POST

THIRD SECTION

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Captains of Business and Finance Confident of Outlook If Canada Applies Itself to National Problems

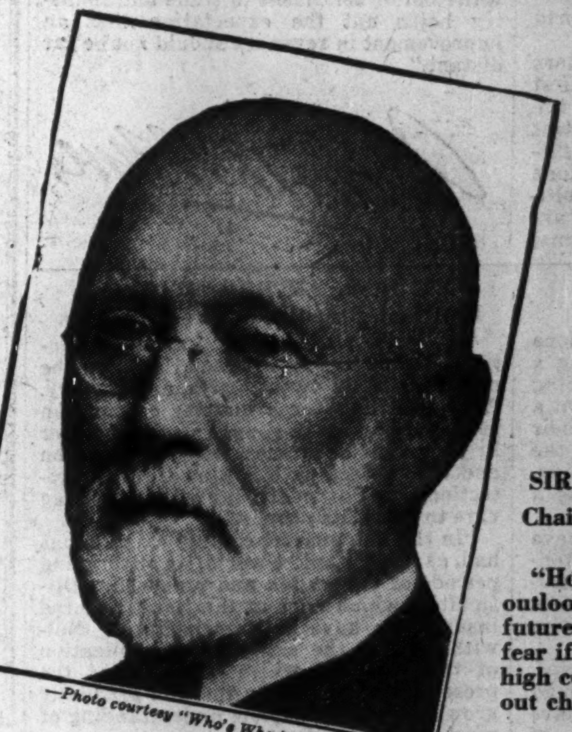
The complete text of the messages from the business leaders whose photographs appear on this page will be found on the next following page.

SIR HERBERT S. HOLT
President, Royal Bank of Canada

"The burden of our numerous and enormous taxes is onerous, caused largely by the excessive cost of running our far too numerous governments."

HON. E. N. RHODES
Minister of Finance

"The task that confronts the country is to attain a fully balanced budget as quickly as possible and in that task the co-operation and support of the public will be required."



—Photo courtesy "Who's Who in Canada."

SIR JOSEPH FLAVELLE
Chairman, Canadian Bank of Commerce

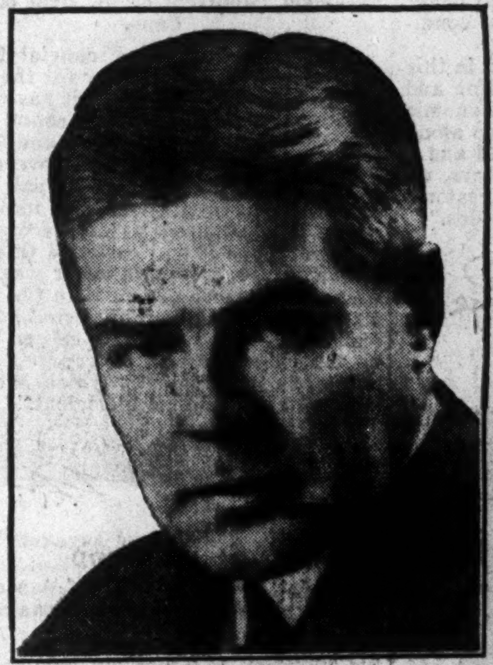
"However disturbing the outlook in the immediate future, you have no cause to fear if you play the game with high courage and do not leave out cheerfulness."

HON. DR. ROBT. J. MANION
Minister of Railways and Canals

"The foundations have been laid for the solution of the transportation problem, those foundations consisting in the sane, wise and courageous economies instituted during the past eighteen months."

S. J. HUNGERFORD
Acting President, Canadian National Railways

"Canadian business shows signs of having started on the uphill climb, and though our progress may be slow at first it will be none the less certain."



E. W. BEATTY
Chairman and President, Canadian Pacific Railway Co.

"The years ahead will call for hard work and economy but we have the satisfaction of knowing that in no land will rewards of both be more bountiful or surer."

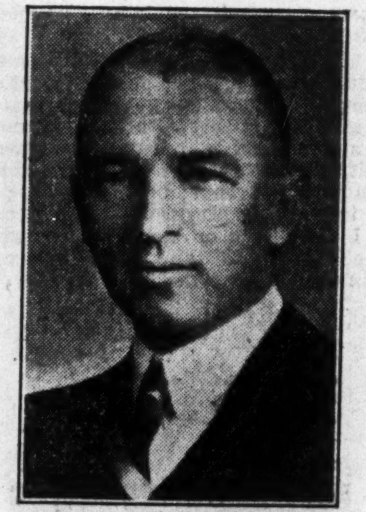
—Photo courtesy "Who's Who in Canada."

HON. H. H. STEVENS
Minister of Trade and Commerce

"The Imperial Economic Conference agreements are on the eve of securing legislative sanction. All good Canadians are anxious that these agreements shall ultimately result in a betterment of conditions."

L. G. BEAUBIEN
President, Montreal Stock Exchange

"Never has the need of concerted and methodical action, of diligent and constant work been felt as much."

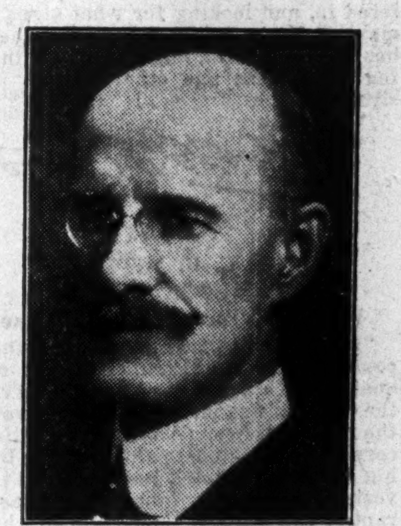


J. G. WEIR
President, Investment Bankers Association of Canada

"Improvement in the bond market is doing much to restore confidence and this financial improvement undoubtedly will be followed by a gradual business improvement."

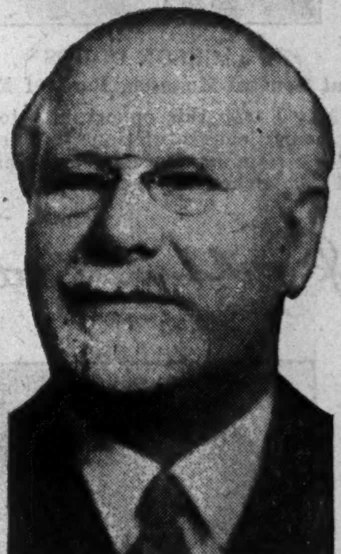
SYDNEY T. SMITH
President, Winnipeg Grain Exchange

"The Financial Post is rendering very valuable service to the business community and to the public generally."



JOHN W. ROSS
President, Canadian Chamber of Commerce

"Today is a time for increasing courage and hope. The stern discipline of the past three years has laid the foundation for saner expression."



J. A. McLEOD
President, Canadian Bankers' Association

"In these days of economic upheaval, business men are scanning earnestly the columns of the press, seeking enlightenment on the causes of depression."

COL. G. G. MITCHELL
President, Toronto Stock Exchange

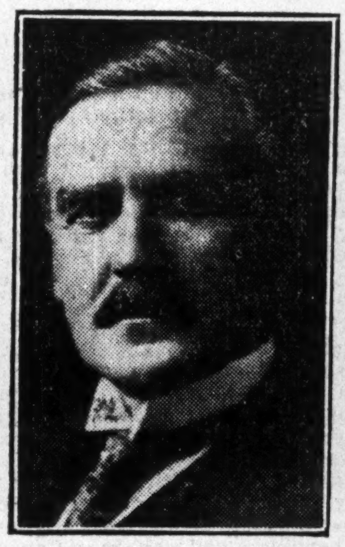
"It is my conviction that your paper is, at this time, plotting out on the graph of the Dominion's records, the signs of a return to better times."

The late C. M. BOWMAN
President, Dominion Mortgage & Investments Association

"Foundation for substantial improvement will be laid when our farmers secure a more satisfactory return for their products."

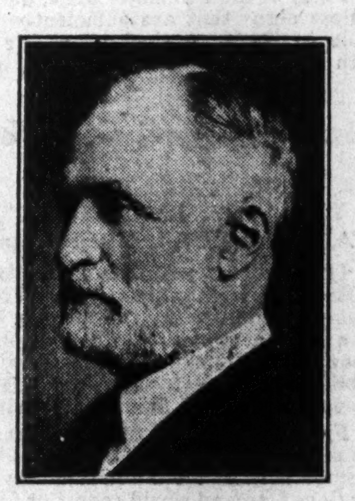
G. W. NICHOLSON
President, Standard Stock & Mining Exchange

"There is not an industry in the world today that has stood up better during the past three years than gold mining. The outlook for the mining industry seems to be brighter today than ever before."



SIR THOMAS WHITE
Canada's Wartime Minister of Finance

"One of the best signs of the times is the marked rise in the price of high-grade bonds. In past depressions this development has always been the forerunner of the revival of enterprise."

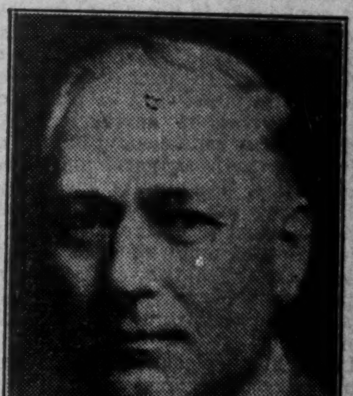


A. E. AMES
of A. E. Ames & Co.

"The Post has threaded its way through varying and often radically changing Canadian and world conditions and has kept well-informed and steady."

RT. HON. ARTHUR MEIGHEN
Former Prime Minister of Canada

"A realization that no nation can live unto itself alone and that a spirit of international economic co-operation will usher in a return to more normal conditions is steadily gaining ground."



W. C. COULTER
President, Canadian Manufacturers' Association

"During the past three years, Canadians have been working together with better understanding and results than at any other period in our history."

Better Federal Revenues Deemed Not Far Distant

HON. E. N. RHODES
Minister of Finance, Canada

"It gives me pleasure to extend to the publishers and staff of The Financial Post my best wishes upon its twenty-fifth anniversary of service to the investing public of Canada.

"It is fundamental to the progress of Canada that the credit of the Dominion should have the highest rating, not only at home but on the money markets of the world.

"That credit has been greatly enhanced in the period of world depression by the strength of our financial institutions, and the stability of Canadian conditions generally, when viewed in the light of world conditions.

"The contribution of Canadian investors last year in the extraordinary success first of the Conversion Loan and later of the National Service Loan, was of the greatest significance. The former materially lightened the amount of refinancing to be done in the next few years and effected an ultimate saving of over six million dollars annually in interest charges. The National Service Loan firmly established the credit of Canada amidst a world-wide financial upheaval and made it certain that the Dominion Treasury would be capable of meeting the emergencies of the time.

"The task that confronts the country now is to attain a fully balanced budget as quickly as possible and in that task the co-operation and support of the Canadian people will be required. The decline in interest rate of high grade securities points to the probability of the Dominion being able to reduce the burden of debt charges, while better sentiment in trade and industry holds out the expectation that an improvement in revenues should not be far distant."

HON. H. H. STEVENS
Minister of Trade and Commerce

"The financial and business publications of the Dominion are today performing a difficult but highly useful service in helping to guide and advise our business men at a critical time. The publishers have their finger tips upon the business pulse of the Dominion and are doing their best to diagnose our ailments and to prescribe a remedy.

"Probably no group of publications have done more along these lines than that extensive and highly representative list controlled by Lieut.-Colonel John B. Maclean, whose paper, The Financial Post, is now in its twenty-sixth year of issue.

"During that comparatively short period, business in Canada has passed through many important transitions There have been periods of prosperity and periods of depression. Throughout all these, our financial and business publications have never, I think, given evidence of unhealthy pessimism in times of stress or of undue and over-exuberant optimism in times of prosperity. They have endeavored to depict things as they are and to give sane advice to their readers and clients.

"At the time of writing, the agreements reached at the recent Imperial Economic Conference in Ottawa are now on the eve of securing legislative sanction.

"It is needless to say that all good Canadians are anxious that these agreements shall ultimately result in a betterment of conditions not only in the Dominion but throughout the entire Empire. The assistance which trade, business and financial publications can render in making known to their wide variety of clients the details of these agreements, and in demonstrating how advantage may be taken of the various preferences granted under the agreements in question cannot be over-estimated. In the past such publications have always given generous co-operation to governmental activities. Such co-operation, I am sure, will not be withheld in this important era of larger Empire endeavor."

H. H. Stevens

L. G. BEAUBIEN
L. G. Beaubien & Co.; President, Montreal Stock Exchange

"Whatever the reasons which make us believe, and they are numerous, that the world is being restored gradually from the worst crisis it has faced, the moment would be badly chosen to lure oneself with words and formulas. On the contrary, never has the need of concerted and methodical action; of diligent and constant work been felt as much. In my opinion, the results attained at the Imperial Conference are both a direction and an encouragement. In co-operating resolutely in the manner suggested by the statesmen of the Empire by close collaboration between the different British possessions, we shall find the most rational and most profitable solution for the problems which face us.

"In this domain, as in many others, The Financial Post is called upon to exercise a great influence. Its services during twenty-five years are a guarantee that it will continue to work for the economic progress of Canada."

SIR THOMAS WHITE
War-time Finance Minister of Canada; Vice-president, Can. Bank of Commerce

"While naturally hesitating to hazard definite prediction as to the business outlook I think that we may look forward with some confidence to a gradual improvement in conditions. One of the best signs of the times is the marked rise in the price of high grade bonds. In past depressions this development has always been the forerunner of revival of enterprise. Another hopeful sign is replacement buying of commodities, wearing apparel and articles of domestic use. Personally, I would suggest to those who are still well-to-do and who desire to assist in the restoration of prosperity to do as much of such replacement buying as they feel they can afford in order to stimulate trade and provide employment. Repairs of premises would also be very helpful.

"I have much pleasure in congratulating my old friend, Col. Maclean, upon this 25th anniversary of The Financial Post and upon the conspicuous success he has achieved as a great creative force in Canadian journalism."

RT. HON. ARTHUR MEIGHEN
President, Canadian General Securities

"It is with pleasure that I offer my congratulations to The Financial Post on the occasion of its twenty-fifth anniversary. Ably fulfilling for a quarter century an essential service in supplying the investor in Canadian securities with information and thus affording him a measure of protection, The Post continues with increasing care to fulfill its purpose.

"In the last quarter century Canada has had, as has the entire world, its alternating periods of depression and prosperity. Difficulties which have at the time appeared insuperable have been surmounted. Notwithstanding the slowness of application of the remedies which would right the present world situation there is gradually growing a more complete understanding of what those remedies are.

"A realization that no nation can live unto itself alone and that a spirit of international economic co-operation will usher in a return to more normal business conditions is steadily gaining ground.

"Canada has taken a leading part in this process of reconstruction. The calling and happy conclusion of the Empire Economic Conference at Ottawa is a first step along the road to recovery. With a world and a country blessed by a bountiful nature, we may confidently look forward to a restoration of more normal economic values."

Arthur Meighen

JACKSON DODDS
Joint General Manager, Bank of Montreal

"May I take this opportunity to extend our hearty congratulations to The Financial Post on its twenty-fifth anniversary and best wishes for the future."

Jackson Dodds

PAUL J. MYLER
President, Canadian Westinghouse Co.

"We extend to The Financial Post heartiest felicitations on the occasion of its twenty-fifth anniversary. During that period you have seen Canada emerge from several depressions, serious at the time, sounder and stronger than before in each instance. We have every confidence, and are endeavoring to so shape our affairs, that history will repeat and our country will come forth from the present state of inactivity with wider employment of her natural resources and amazing expansion of her industrial facilities."

Paul J. Myler

A Word to the Younger Men of Canada

By SIR JOSEPH FLAVELLE
Chairman of the board, Canadian Bank of Commerce; President, National Trust Company

"In extending congratulations to The Financial Post upon twenty-five years of independent discussion of the financial problems of the country, may I express the hope that you will carry on in increasing usefulness, through the enrichment of experience, for many years to come.

"May I take advantage of your courtesy to say a word to the younger men who may read this anniversary number—

"Where, under present circumstances, in your own sphere, lies the chief remedy for the ills you suffer? Where it always lies—in the spirit, and purpose, and effort of those who are confronted with difficult circumstances.

"Since when are struggle and effort, and an uphill fight, a thing to fear, and from which you should run, or ask that others undertake for you?

"The story of life's accomplishment is the story of improvement in men who accept struggle in good heart and determined spirit.

"It will be forever true that 'necessity is the mother of invention.' It may not seem a cheerful doctrine, but it is a true doctrine, which when accepted and practised, gives men deep satisfaction, and develops hitherto undiscovered capacity.

"However disturbing the outlook in the immediate future, you have no cause for fear if you play the game with high courage, and do not leave out cheerfulness. Whatever happens you must not fail to have stout heart, preserve good cheer, and retain a sense of individual responsibility to your fellows and to the country.

"I have a conviction that most of the things worth while in life come to us as by-products, rather than from effort specially directed to that end. May you not wisely learn that contentment comes from character and purpose and is produced by a state of heart and mind, and not necessarily by a state of pocket.

"The loyalties of life are among our most noble possessions, and in no small manner establish the measure of our manhood. Loyalty to our homes, our friends, our associates, our business, our convictions, our country. It will mean much to you and to your service to the country when you come to believe that your relation to all of these is not chiefly what they will give to you, but what you will bring to them; not in what you get, but in what you give. It is in this you will confirm your measure."

SIR HERBERT S. HOLT
President, Royal Bank of Canada; President, Montreal Light, Heat & Power Cons.

"I congratulate The Financial Post on its twenty-fifth anniversary for the impartial and constructive policy it has pursued from its inception; on the sound advice given in all financial matters, and its fearless and fair criticism of governments, federal, provincial and municipal, also of corporations, institutions and individuals where it considered it was necessary. I sincerely hope it will continue this policy in the future, for there never was a time when it was more urgent than the present when the burden of our numerous and enormous taxes is so onerous, caused largely by the excessive cost of running far too numerous governments, which should be reduced and made more efficient."

H. S. Holt

J. A. McLEOD
President, Canadian Bankers' Association; General Manager, Bank of Nova Scotia

"The completion of twenty-five years in the forefront of Canadian business journalism is a record of which to be justly proud and in extending at this time my sincere congratulations, I wish to pay tribute to the ideals which The Financial Post has consistently held.

"In these days of economic upheaval, the public, particularly business men, are scanning more earnestly the columns of the press than perhaps at any time in the memory of the present generation, seeking enlightenment on the causes of depression, investigating what abuses may have entered in, and looking for what signs there may be of approaching revival; The Post has shown outstanding leadership in dealing with these and other factors in the situation."

Ja. McLeod

COL. G. G. MITCHELL
Brouse, Mitchell & Co.; President, Toronto Stock Exchange

"Permit me to take this opportunity of commending The Financial Post on its quarter of a century of useful service to the cause of finance. For twenty-five years the paper has been devoted to recording the corporate and industrial life of the Dominion and the service it has rendered the investor, during this long period, has warranted the success and esteem which it now enjoys.

"Of Canada's history, The Financial Post in its lifetime has charted many depressions and many resulting recoveries. Just as each depression has had its corresponding recovery, so it is my conviction that your paper is, at this time, plotting out on the graph of the Dominion's records, the signs of a return to better times. Signs that may be slow to materialize, but nevertheless signs that are sufficiently indubitable to justify us looking to the future with confidence and hope."

Geo G Mitchell.

A. E. AMES
A. E. Ames & Co., Investment Bankers

"I heartily congratulate Lieut-Col. John B. Maclean and the editors of The Financial Post upon completing the quarter century of a journal which has had as its ideal from commencement the ascertaining and publishing of facts and the aggressive statement of sound financial doctrine.

"From the days of Stewart Houston to the present The Post has threaded its way through varying and often radically changing Canadian and world conditions and has kept well informed and steady. I lift my hat to its success!"

A E Ames

S. J. HUNGERFORD
Acting President, Canadian National Railways

"The completion of twenty-five years in the service of Canada and Canadian business is a record of which any newspaper may well be proud and it is a pleasure to congratulate The Financial Post on the attainment of a quarter of a century of such service. During those years it has witnessed great developments in Canada, developments which we hope and believe will be surpassed in the years to come.

"Like all other countries, Canada is feeling the brunt of depressed business conditions but Canadian business shows signs of having started on the uphill climb and, though our progress may be slow at first, it will be none the less certain. Canada has the natural resources and the spirit of perseverance necessary to recovery and there can be no doubt in the minds of her people as to her ultimate march toward her goal of success as a nation."

SJ Hungerford

HON. DR. ROBT. J. MANION
Minister of Railways and Canals

"I am pleased to congratulate The Financial Post on attaining its twenty-fifth anniversary. The Financial Post has done excellent work, particularly in an educational capacity in investment and financial matters. May it continue the good work.

"Most students of conditions believe that business has passed its worst. In the coming era of progress this great Dominion of Canada, with its sane people, magnificent natural wealth and boundless opportunities, should be among the first of the nations to forge to the front.

"As Minister of Railways, I am happy to say that the foundations have been laid for the solution of the transportation problem, those foundations consisting in the sane, wise, and courageous economies instituted during the past eighteen months. In the coming business revival the Canadian National Railways can build upon those foundations a strong and efficient organization, and one which can proudly take its place beside its great competitor, the Canadian Pacific, in giving to the people of Canada transportation service of the very highest order."

R J Manion

W. C. COULTER
President, Canadian Manufacturers' Association

"During the last three years, Canadians have been working together with better understanding and results than at any other period in our history, partly because they have been brought together and induced to co-operate by the number, magnitude, variety and complexity of common problems.

"If we continue to study and deal with national, provincial and municipal problems in this way, if we sustain our courage with the recollection of the history and accomplishments of the people of this country during the past twenty-five years, and if we maintain our hope in the future of Canada, we shall get through our present difficulties, add strength and permanence to our institutions and assist in promoting the happiness and welfare of Canadians in all parts of the country."

W. C. Coulter

Business Adjusts Costs To Meet New Conditions

E. W. BEATTY
Chairman and President, Canadian Pacific Railway Company

"This is a period of reconstruction, and the more energetically we get on with the business of reconstructing the sooner shall we move toward that new standard of normal business activity the future holds in store. Reconstruction pre-supposes discarding the out-worn, cutting away deadwood and tearing down false-work only seemingly useful. For two years that work has been going on, in different countries with varying effectiveness. Canada has progressed far, perhaps farther than any other country. Certainly, if we have learnt the lessons of the past few months, we were never in a sounder position for a forward move than we are today. Our people are realizing that extravagance means national bankruptcy, and our business institutions and producers are adjusting their costs to changed conditions.

"The question is, how much farther has reconstruction to go, and when will it have reached a point with the great trading nations which will permit international business to again move toward normal proportions. I do not believe that even in Canada we have completed the work. But there are constructive factors emerging into view, and foremost among them are the agreements arising out of the Imperial Economic Conference. Statesmen have done their part in formulating these; it is now up to our producers and business men and those of the contracting Dominions to implement them by increased low-cost production and effective salesmanship.

"Canada's most serious threat to national solvency, the railway situation, is receiving the consideration it demands. If prejudices and unsound economic theories can be laid aside it is possible that a measure of amelioration of this grave peril may be effected. That public attention is directed toward the matter is another constructive factor and an evidence that the country is seeking to live within its means.

"Having progressed thus far toward reconstruction, Canadians will have no misgivings regarding their future. The years ahead will call for hard work and economy, but we have the satisfaction of knowing that in no other land will rewards of both be more bountiful or surer, and that it is fairly well assured that Canada will be one of the first countries to feel the return of reasonable prosperity.

"In conclusion permit me to congratulate The Financial Post upon having completed a quarter century of usefulness to the community. I look upon it as a leader of sound, constructive thought in the economic life of the Dominion, and my hope is that it will long continue to carry on its greatly-needed good work."

JOHN W. ROSS
of P. S. Ross & Sons
President, Canadian Chamber of Commerce

"Today in Canada is a time for increasing courage and hope. The knowledge that many constructive plans and well directed efforts are being brought to the solving of our difficult problems is most heartening and stimulating. Confidence must ever be the forerunner of increasing activity and enlarging prosperity. The stern discipline of the past three years has already laid the foundation for an early return to normalcy and a saner expansion in the future.

"The contribution of The Financial Post for the past quarter of a century in correctly setting forth financial situations and in interpreting the signs of the times, is well recognized and widely appreciated.

"Congratulations for the past and best wishes for the new era that lies ahead."

John W. Ross

G. W. NICHOLSON
of G. W. Nicholson & Co.; President, Standard Stock & Mining Exchange

"I would like to take this opportunity of congratulating The Financial Post on its twenty-fifth anniversary and on the rapid strides it has made in giving to the public up-to-date news on matters pertaining to financial conditions in Canada, especially the widened coverage it has given to the mining industry. I feel that its efforts in this direction have been fully justified as there is not an industry in the world today that has stood up better during the past three years than gold mining.

"The outlook for the mining industry seems to be brighter to-day than ever before. Not only has Canada assumed second place in the world for gold production, and is still steadily increasing this production from year to year, but there does not appear to be any limit to the value gold production may reach. New discoveries and new camps are being constantly opened up over a very wide area.

"While commodity prices have been very low, due to over-production and world conditions, with any stiffening in prices for base metals this section of mining should show a considerable improvement. It would be difficult to believe that commodity prices will not show an improved price level in the near future. At the present time I am of the opinion that Canada is on the threshold of the greatest expansion of mining development in its history."

G W Nicholson

A. R. GRAUSTEIN
President, International Paper Co.

"The Financial Post is to be congratulated on its twenty-five years of conspicuous service to the financial and business community. The completeness and accuracy of its news which it publishes, and the fairness and constructiveness of its editorial comment are particularly needed in the difficult period of readjustment through which the entire world is passing today."

A R Graustein

LT.-COL. J. G. WEIR
McLeod, Young, Weir & Co., and President, Investment Bankers' Association

"On the occasion of The Financial Post's twenty-fifth anniversary, may I offer to Floyd S. Chalmers, as editor, and Col. J. B. Maclean, as publisher, my heartiest congratulations and best wishes for long continued success.

"It was my privilege, upon leaving the university, to have been associated in a humble capacity with The Financial Post. I have watched, therefore, the growth of The Post almost from its origin with the keenest interest and am sure that its position today is due to a policy of growth, of aggressiveness and of treating the interests of the individual investor as the first consideration. It is no cause for wonder, therefore, that The Financial Post has been for 25 years of its life the trusted financial advisor of many thousands of Canadian investors.

"When one looks backward over the quarter century, one cannot but be impressed by the very substantial economic progress which Canada has made. At the moment the longer range view is perhaps somewhat obscured by the acuteness and duration of the prevailing depression but, even today, the enduring stability of Canada's banking system, the progress of our various governments toward balanced budgets (which is so essential) and the integrity of her people as evidenced by her governments and cities in the meeting of their financial obligations, have impressed themselves most forcefully upon the entire world.

"To some extent the depth of the present depression is a result of the financial panic which followed the collapse of security markets the world over. Improvement in the bond market, which has been gradual but quite marked during the past year and which is once more evidenced by the successful flotation of a new Dominion loan, is doing much to restore confidence which is so essential in these times and this financial improvement undoubtedly will be followed by a gradual business improvement.

"Again may I tender you my heartiest congratulations and best wishes."

J G Weir

SYDNEY T. SMITH
President, Reliance Grain Company; President, Winnipeg Grain Exchange

"On the occasion of the twenty-fifth anniversary of its foundation, The Financial Post is to be congratulated on its record of continuous growth both in stature and in prestige. The Post is rendering very valuable service to the Business community and to the public generally as a reliable source of commercial intelligence and as a frank and candid commentator upon current problems.

"Under present conditions the scope for such service is practically unlimited and the endeavors of The Post to maintain them and to deal justly by the national and economic problems of these troublous times will be accompanied by the best wishes of its many subscribers and readers throughout the country."

Sidney T Smith

C. M. BOWMAN
(Died Oct. 24, 1932)
Chairman of the Board
The Mutual Life Assurance Co. of Canada; President, Dominion Mortgage and Investments Association

"Permit me to congratulate The Financial Post upon its success during the past twenty-five years, which certainly speaks volumes for the enterprise and ability of the management and editorial staff.

"While Canada, along with the rest of the world, has suffered very seriously because of the world-wide unbalanced situation of recent years, the courageous manner in which Canadian citizenship—particularly in Western Canada—is facing the present situation augurs well for the future.

"Owing to the important part which agriculture plays in Canada it is becoming generally recognized that the foundation for substantial improvement in economic conditions in Canada will be well laid when our farmers secure a more satisfactory return for their products than that prevailing at the present time."

C M Bowman

S. J. MOORE
President, Bank of Nova Scotia

"It is a pleasure to extend congratulations to The Financial Post on the occasion of the celebration of its twenty-fifth anniversary. Its contribution to our national life has been a needed and helpful one and fully entitles its founder and editors to the felicitations they are now receiving.

"The Dominion has made great progress during this quarter century, but the next twenty-five years will be even more important in its influence upon the destinies of the nation. May you continue to do your part in furnishing able leadership in your special sphere!"

S. J. Moore

J. H. GUNDY
Wood, Gundy & Co., Investment Bankers

"During the past twenty-five years, marked progress has been achieved in Canada. Throughout periods of prosperity and adversity there has been a steady development of resources and the erection of institutions to serve the needs of the Dominion. In the field of finance the past quarter century has witnessed the establishment of Canada's credit on a high level both at home and abroad.

"Canadian publishers of financial papers have played a most important part through the spread of information regarding the financial strength of Canadian governments, municipalities and corporations, as well as the financial institutions of the country. Canadian securities have thus enjoyed continually broadening markets.

"The Financial Post and its publisher, Lieut.-Colonel John B. Maclean, are to be congratulated on this great paper having attained its twenty-fifth birthday. They carry the good wishes of the financial community for a future of steadily increasing usefulness and prosperity."

J. H. Gundy

D. R. GROSSMAN
Vice-president and General Manager, The Studebaker Corporation of Canada

"I am very glad on the occasion of its twenty-fifth anniversary, to express appreciation for the service rendered to business and, consequently, to the entire Dominion, by The Financial Post.

"The period during the life of The Financial Post has included more rapid and radical changes in the order of human affairs than has been witnessed by any similar previous period in the world's history. Changes are often bewildering and unpleasant experiences, but there should be no cause in them for dismay. It is quite possible, if not inevitable, that the experiences of today will lead to a greater appreciation of the necessity of a more strict adherence to sound business principles, including entire honesty, fairness and common sense in all things we do.

"The Financial Post has an even greater opportunity for service in continuing to present and uphold those principles."

D. R. Grossman

R. S. McLAUGHLIN
President, General Motors of Canada

"Twenty-five years old, and going stronger than ever!

"Here's hoping that when you have celebrated your sixty-fifth anniversary, as we have, you will still be vigorous and able to impart the useful financial information which you have been giving the public in the past.

"During the twenty-five years which your paper has been in existence, Canada has shown marvellous progress, and is capable, if the great problems which now confront the nation are handled intelligently, as no doubt they will be, of showing very rapid expansion in the future.

"To my mind, the four great problems are: the railways, the pulp and paper business, the power situation, and the position of agriculture.

"The railway situation is capable of solution if handled vigorously and intelligently, as no doubt it will be. Conditions in the pulp and paper business are now being given the consideration and attention which should have been given them years ago. The power situation will have to be taken in hand, or we are liable to have the same conditions as now exist in connection with railways and the pulp and paper business. Agriculture, which after all represents the backbone of all business, if encouraged along the right lines by the various departments of agriculture, provincial and federal, is capable of being put on a profitable basis. To my way of thinking, wheat acreage will have to be curtailed, not only in Canada, but all over the world, and more attention given to the other branches of the industry.

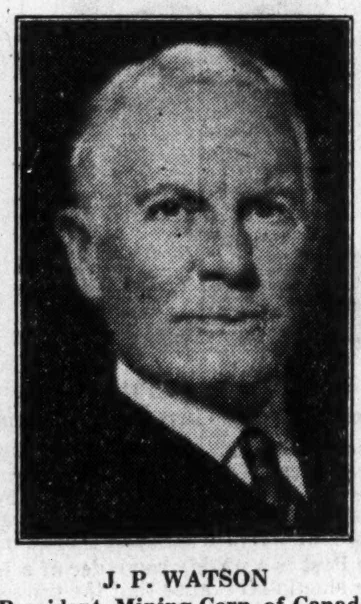
"I congratulate you on your twenty-fifth anniversary and extend best wishes for your future success."

R. S. McLaughlin

WM. M. BIRKS
President, Henry Birks & Sons

"Congratulations for the past and good wishes for the future of Canada's leading business newspaper for Canadians can only be optimistic if they take the long look. Has not Ottawa under Mr. Bennett's leadership started, merely started Empire Economic co-operation—a new era in constructive imperialism. What lucky star, what happy chance has made us partners in this splendid enterprise?"

Wm. M. Birks.



J. P. WATSON
President, Mining Corp. of Canada

"May I, on this your 25th anniversary, extend to you my congratulations.

"Optimism is what we need in Canada, not optimism of the ballyhoo variety, but well balanced optimism, based on wisdom, reason and confidence in ourselves. Therefore, as an optimist, I am hoping that I may again have the opportunity of congratulating you on your good work 25 years hence, on your Semi-Centennial Anniversary."

J. P. Watson

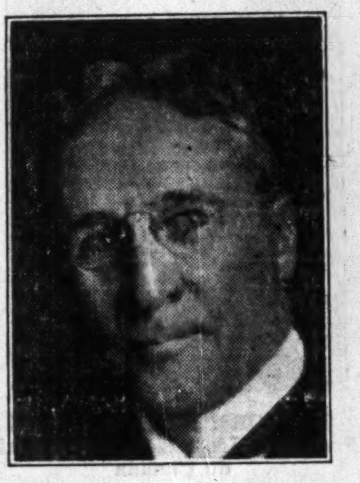
WALLACE R. CAMPBELL
Vice-president and Treasurer, Ford Motor Co. of Canada

"In common with the rest of the world, Canada, during the last three years, has been passing through a time of adversity. The burdens we have had to bear have been heavy and the trials great, yet they have been borne with a fortitude inherent in our national character.

"Now that the darkness of depression is ending and the dawn of better days is at hand, our nation will emerge greater than ever before, in first rank among the peoples of the earth. Heartened by the satisfaction of a great battle won, with fear banished and hope returning, Canada will press on to a great destiny.

"In this new era of progress, The Financial Post, with twenty-five years of splendid service to its credit, may well continue to be a leader in its particularly useful field."

W. R. Campbell



LEIGHTON McCARTHY
President, Canada Life Assurance Co.

"I send The Financial Post my hearty congratulations on the occasion of its 25th anniversary. The eminent and influential position it occupies in Canada is the best tribute to its founders and those who have been associated in its administration throughout the quarter century of its life.

"In the span of life of The Financial Post there have been several periods of national crisis which have tested the courage of our people, but from each of these crises Canada has emerged greater and stronger. I feel confident that the present difficulties are being solved one by one, and that if we are patient and do our individual duties as good citizens we shall see better times soon."

Leighton McCarthy

J. H. FORTIER
President, P. T. Legare Co.

"As one of your attentive readers for the last twenty years, here are the two main comments I have to offer on the occasion of The Financial Post's silver jubilee:

"Firstly, for its double purpose of serving the nation by serving business, for its courage, its fairness, its vision, its efficiency in editorship and craftsmanship, The Financial Post is a valuable asset to Canadian business life. Had its sound advice been always more intelligently followed in economics and in politics, Canada would be better off today.

"Secondly, as the founder and leader of The Financial Post, Lieut.-Colonel John B. Maclean appeals to me not only as a very successful business man, but as the most practical and inspiring mind working for the emancipation of national pride in journalism. The numerous MacLean publications are lined up beside The Financial Post to carry on useful work."

J. H. Fortier

C. L. BURTON
President, The Robt. Simpson Co.

"Congratulations to The Financial Post on its twenty-fifth anniversary.

"We are on the threshold of better times.

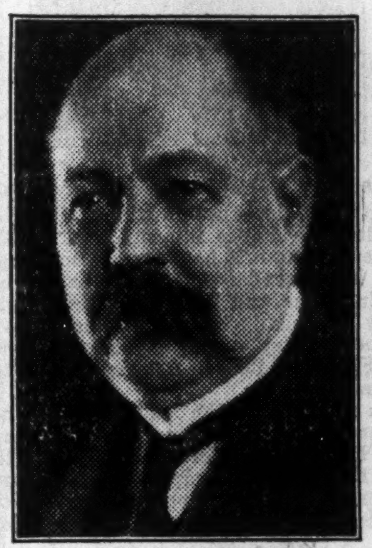
"Between natural products which will likely add to our gross spending power over $1,500,000,000 and industries which will add a substantial net sum to our wealth, our national net position is probably two billions better than a year ago.

"Out of this great credit back-log we shall pay for relief of the needy, and instalments of interest and sinking funds on public debts—municipal, provincial and federal. The balance will result in added confidence, enabling us to resume our trend upward.

"Our manufacturers and distributors, of consumers goods, would be greatly benefitted by reduction in many of the present obstacles to imports.

"All things considered Canada will probably fare better than other countries as we emerge from distress conditions to somewhat better times."

C. L. Burton



A. E. PHIPPS
General Manager, Imperial Bank of Canada

"I appreciate the opportunity of felicitating The Financial Post on twenty-five years of real achievement. In good times and bad times it has been a helpful journal for those interested in financial matters inasmuch as its news of every description of business activity is up to the minute, amazingly dependable and commented on with intelligence.

"While there is improvement here and there in business and financial conditions, my feeling is that we have still a long way to go and it is only through determination and courage and team work between individuals, corporations and nations that a real betterment of conditions can be achieved. There is no doubt that in the fullness of time the world will once more be back to an era of commercial prosperity which must be preceded by a cessation of the commercial strife which is so evidently at the bottom of present disturbed business conditions."

A. E. Phipps

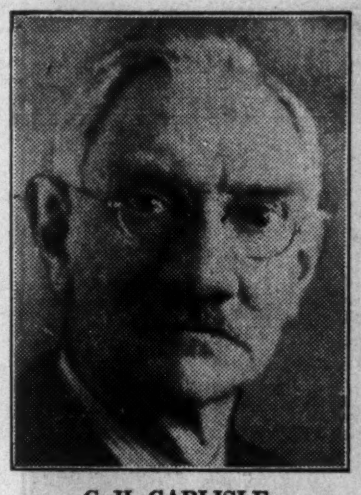
ROY D. KERBY
President, Dominion Motors, Limited

"The first thing that comes to my mind is the wonderful co-operation that has been given me personally and the company of which I happen to be in command, by the executives and officers of The Financial Post, especially during my first three or four years with this company.

"When I came here we were starting practically from scratch and the honesty with which The Financial Post handled the information gathered from our offices here was of inestimable value in convincing the dealer organization that we were a going concern, that we had a good product and ability to merchandise and service it.

"We only hope that when The Financial Post celebrates its fiftieth anniversary we will again have the opportunity of congratulating you."

Roy D. Kerby

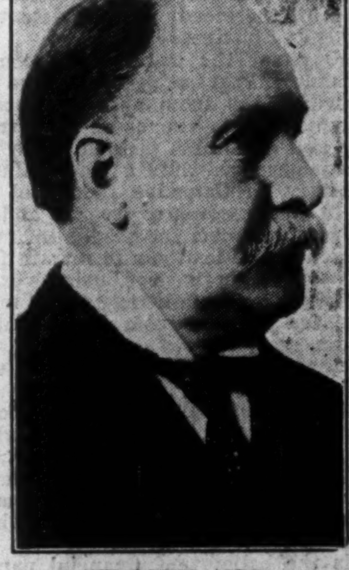


C. H. CARLISLE
President, Goodyear Tire and Rubber Goods Co. of Canada

"The Financial Post is to be congratulated on this its twenty-fifth anniversary.

"The last twenty-five years have shown a greater development than any other twenty-five year period in the history of Canada. Great areas of the country have been opened up; communication and transportation have been greatly improved; her natural resources have been developed likely as rapidly as was economic; her population ranks high in per capita intelligence; her form of government is highly commendable; her educational and religious institutions are of the best. Notwithstanding the present adverse conditions, and world adjustments which must take place before we can reach stability and again engage freely in world trade—when these adjustments are made, Canada's next twenty-five years should show and likely will show a much greater development in all respects than in any other similar period."

C. H. Carlisle

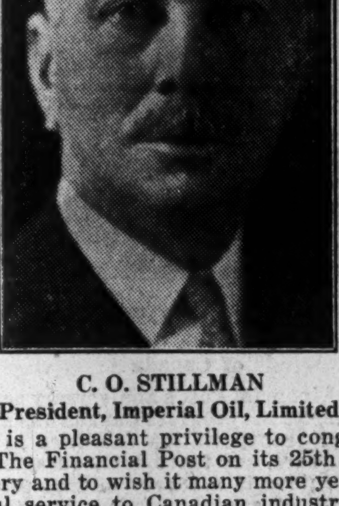


SIR JOHN AIRD
President, Canadian Bank of Commerce

"Accurate, up-to-date, and unbiased information is required in both national and international finance. The high standard maintained by The Financial Post for the last twenty-five years has earned an appreciation in many parts of the world, and especially in Canada.

"May I take this opportunity of performing what I regard as a privilege and a pleasure? My heartiest congratulations are extended both to the editors and to the publishers of The Financial Post."

John Aird

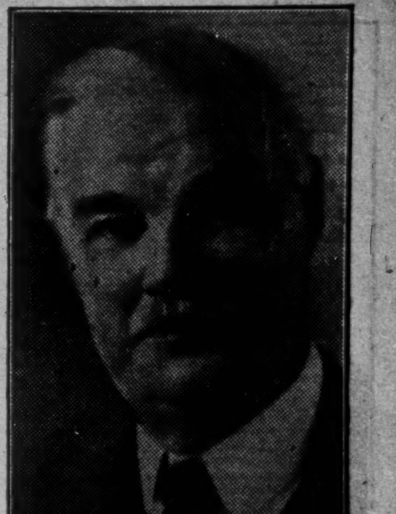


C. O. STILLMAN
President, Imperial Oil, Limited

"It is a pleasant privilege to congratulate The Financial Post on its 25th anniversary and to wish it many more years of useful service to Canadian industry and to the Canadian investing public. I feel that in the development of this country Col. Maclean and his organization have played a distinguished part by building up strong Canadian periodicals and specialized papers to serve the Canadian public and the various commercial and industrial interests. The success achieved is evidence of the skill and energy employed in this task, which, in view of competition from publications of a similar nature enjoying the larger revenues available in the United States field, could never have been an easy one.

"It is difficult in times like these to find any sound basis for predictions of what the future holds in store. However, in the records of alternate periods of expansion and recession which are contained in the files of The Financial Post, it seems to me we have promise that constructive thinking will again tide us over our difficulties and bring us into a period of orderly progress."

C. O. Stillman



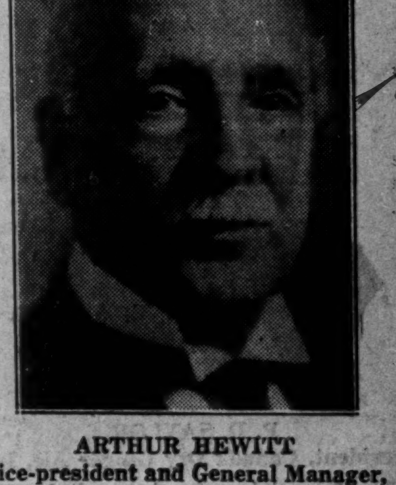
T. B. MACAULAY
President, Sun Life Assurance Co.

"I am glad of the opportunity to congratulate The Financial Post on attaining its Silver Anniversary.

"Although existing as an institution for many years prior to the birth of The Post, life insurance, during the lifetime of your paper, has become one of the most important factors in the business life of Canada. During the past few years it has conclusively proved its value and demonstrated its sound foundations and the safe and scientific methods by which it is administered.

"As one whose whole life has been spent in this profession I welcome the opportunity of ackowledging the great service of The Financial Post in spreading a knowledge of these facts. It has been a sound interpreter and a forceful and intelligent champion of the principles by which life insurance protects the individual and the home. I wish for it increasing influence and prosperity in that worthy role."

T. B. Macaulay



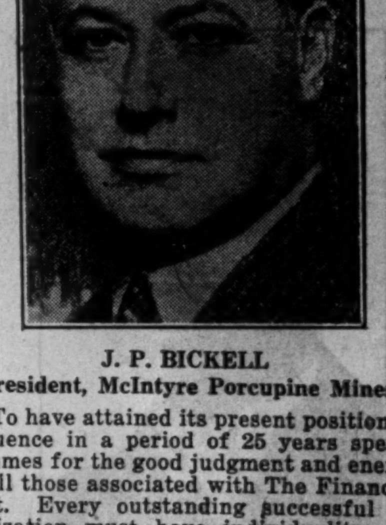
ARTHUR HEWITT
Vice-president and General Manager, The Consumers' Gas Co. of Toronto

"On the occasion of the celebrating of the twenty-fifth anniversary of publication, I should like to tender to The Financial Post my hearty congratulations.

"Growing in importance from year to year, your journal has achieved a high place in the regard of those interested in Canada's progress and in her financial and industrial welfare.

"To Lt.-Col. John B. Maclean and those associated with him in the enterprise, I wish continued and increasing prosperity."

Arthur Hewitt



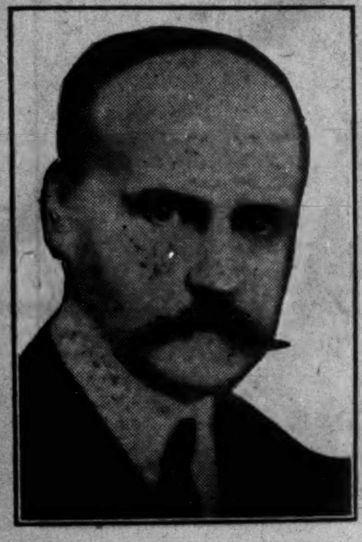
J. P. BICKELL
President, McIntyre Porcupine Mines

"To have attained its present position of influence in a period of 25 years speaks volumes for the good judgment and energy of all those associated with The Financial Post. Every outstanding successful organization must have individuality and character to provide the stimulus that generates momentum and ensures progress. In your case, all this has been bountifully furnished by an outstanding Canadian in the person of Col. Maclean.

"In an effort to tie in your 25th mile post with the march of current Canadian events, I can think of no better method than by making reference to the increased recognition of the importance of our gold mining industry. Our ability to produce and export gold in ever increasing quantities, has meant much to Canadian industry, and has added tremendously to the prestige and stability of Canadian government securities.

"Gold remains the unquestioned standard of value and our continued production of that metal affords a sure and certain foundation for our industrial and commercial future."

J. P. Bickell



BEAUDRY LEMAN
General Manager, Banque Canadienne Nationale

"An anniversary naturally induces thoughts of an earlier period. The twenty-fifth anniversary of The Financial Post, a newspaper devoted to Canada's financial and economic progress, recalls the conditions prevailing a quarter of a century ago, and invites comparisons.

"This relatively short period in the history of the Dominion, during which no less than three depressions occurred, witnessed a great development in every branch of production, trade and finance. Such an achievement shows in its true perspective the evolution of Canada, whatever the temporary setbacks may have been.

"A review of the past is therefore highly opportune in days of gloom, since it is apt to foster confidence in the bright future of our country."

Beaudry Leman

P. D. SAYLOR
President, Canada Dry Ginger Ale, Inc.

"The financial press of Canada has contributed a notable service to the development of Canadian commerce and industry. In seasons of adversity and in prosperity it has held an even keel, steadfast and consistent in giving voice to the aims and aspirations of an industrious people. Business men everywhere will not be loath to recognize those services.

"In these endeavors, The Financial Post has been a leader. Yours is a forthright and able publication. As executive head of Canada Dry Ginger Ale, I, a native-born Canadian, find a singular pleasure in acknowledging your contribution to the progressive developments of the past quarter of a century. Felicitations to you, your able publisher, Col. John B. Maclean, and your entire staff of capable and loyal editors on this occasion of your twenty-fifth birthday."

P D Saylor

T. A. RUSSELL
President, Massey-Harris Company; President, Willys-Overland, Limited

"I am glad to have the opportunity to add my name to the list of those who extend their congratulations to The Financial Post on attaining its twenty-fifth anniversary.

"The development of national magazines in Canada has presented many difficulties and yet it was highly important to Canada's interests that she should develop her own literature and not be dependent upon outside countries too completely for her magazines.

"I particularly wish to congratulate Lieutenant-Colonel John B. Maclean on the success that he has attained in this field of activity and usefulness."

T A Russell

MORRIS W. WILSON
Vice-president and General Manager, Royal Bank of Canada

"In 1907 Canadian exports of wheat amounted to less than forty million bushels; total exports had a value of approximately $25,000,000 and the total debt was $380,000,000. Her population was approximately 6,000,000. In the years that followed, the population grew, new industries were established, and both old and new industries flourished. In a growing country debt increases rapidly and the growth of Canada's debt was unduly increased by war-time expenditures. Natural resources, however, were developed and the wealth of the country expanded at a rate almost as great as that represented by the growth in indebtedness. Periods of prosperity were followed by periods of depression, but the general trend was definitely upward.

"Where a population of six million people made a reasonable living with exports amounting to $25,000,000 in 1907, it is not difficult to believe that a population of ten millions can make ends meet with exports fifteen times as great. It may be that the people of Canada in 1907 were more self-sufficing than those of today, but even with this comparison drawn from the statistics of foreign trade, which is at present at exceptionally low levels, there is clear-cut evidence of the steady and persistent upward trend of business in Canada.

"Throughout the last quarter century The Financial Post has performed the task of recording the facts and statistics of Canadian business expansion in a trustworthy and creditable manner. The files of this paper constitute a most valuable commentary on Canadian industrial history. In your records of the rise and fall of business optimism you should find material which would lead you to refrain from undue optimism in times of business excess and prevent you from being carried to undue depths of pessimism by temporary recession.

"It is the perspective which such a view can give upon current events which constitutes your most valuable contribution to the solution of the difficulties with which the country is now confronted. It has been this factor of perspective which has prevented British industry and finance from many of the excesses which have been witnessed in other countries.

"It is the belief that financial papers, with a point of view determined by the facts of past experience, can do much to influence public opinion, which causes me to congratulate you on your previous record and to express the hope that you will continue to play your part in maintaining sane optimism concerning the business future of this country."

H. A. BROWN
General Manager, General Motors of Canada

"The Financial Post's anniversary serves to emphasize the progress Canada has made with her transportation facilities in the past 25 years, and there is encouragement for the future in a survey of that period. A quarter of a century ago motor transport was playing a small role in our national life, but within the past year it has been discussed in the columns of The Post as a vital issue. In 1907 few people depended on the motor car to get them to their work at shop benches or office desks. Schools and churches managed without motor transport for students and worshippers. Great areas of the country remained undeveloped for lack of local transportation.

"Today all that is changed, and Canada's commercial and social life is established to a great extent on individual motor transportation, as evidenced by one million passenger automobiles registered in the Dominion. The history of many of our modern industries demonstrates that development in the second quarter century is at a much more rapid rate than in the first, and the Canadian automobile industry looks to the future with confidence."

H A Brown

R. Y. EATON
President, T. Eaton Company

"I have been informed that The Financial Post is celebrating its twenty-fifth anniversary.

"May I tender you on behalf of the company, and on my own behalf, our very sincere congratulations upon the achievement of a strong and lusty manhood by this very useful and informative publication.

"May the success of its accomplishments to date prove an earnest of still greater things to come."

R. Y. Eaton

C. F. SISE
President, Bell Telephone Co. of Canada

"In the difficult period from which everyone devoutly hopes the business world is now emerging into better times some agencies have rendered valuable service in offering sane and helpful counsel and in justly appraising the significance of what has been going on. The contribution of The Financial Post in this regard has been outstanding.

"In my opinion the leaders of business in Canada have come to value your paper more highly than ever before because they have found in it a comprehensive and reliable summary and appraisal of all that affects the business life of the Dominion."

C F Sise

JULIAN C. SMITH
Vice-president and Managing Director, Shawinigan Water & Power Co.

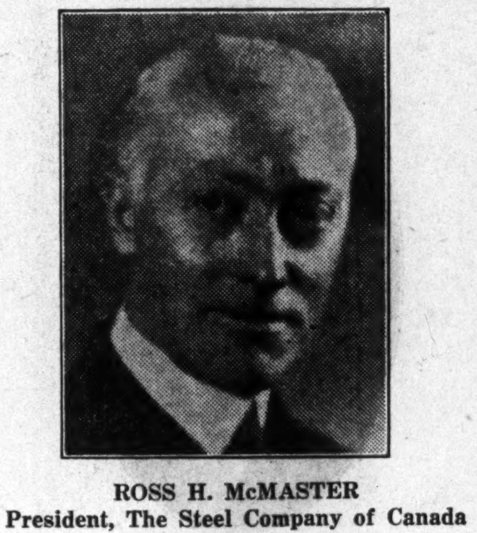
"The Financial Post is now celebrating its 25th anniversary and it is fitting that to commemorate this event The Financial Post should publish a special number.

"During the years that have passed since The Financial Post began it has served the people of Canada by taking a fair and honest position and expressing its views to the end that the people of Canada may have a real appreciation of financial matters. During the last year or two The Financial Post has done constructive work. The present situation leads me to believe that such work as has been done by The Financial Post and other financial papers of like calibre is of the utmost importance and should be carried on as in the past.

"We have passed through a very difficult and dangerous period and now it looks as though conditions were slowly improving and, if certain vital matters can be satisfactorily arranged, that the whole world will slowly get back to a more normal condition, and that both the employment situation and the financial situation will improve materially. We need today continued courage and continued effort. We need, too, to face the facts as they are and, above all, we need co-operation among all of the factors of the very intricate business fabric of the country.

"Curiously enough, any lack of co-operation that exists today is not where one might expect to find it, because both labor and the Government are using every effort to co-operate with the other factors. Among business men themselves there seems to be still a lack of effort to get together and, in some cases at least, a selfish disposition to try to make the most of their individual position, not realizing that unless the community as a whole and the world as a whole can improve its position, that no individual position can long be held in any satisfactory shape. Many factors in the business world have shown signs of improvement and with continued courage and better cooperation I am sure that conditions will soon show the result of these efforts."

Julian C. Smith

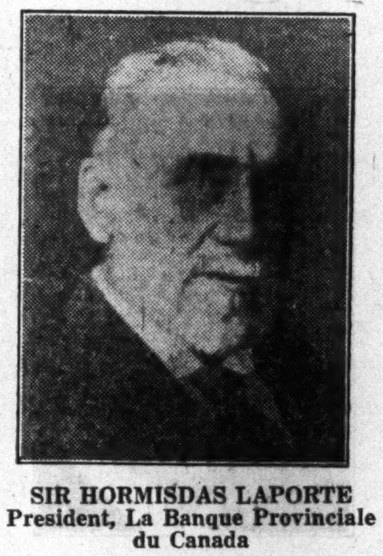


ROSS H. McMASTER
President, The Steel Company of Canada

"I should like to offer my congratulations upon the 25th anniversary of The Fnancial Post. Its standing and progress are, I think, beyond its years.

"May I take the opportunity of paying tribute to the forward policy which has guided your paper, and the independent thought which has characterized its stand on so many matters. You have done much to mold public opinion along sound lines, and, though you have your critics, I do not think any have been able to question your sincerity or impute ulterior motives.

"In my opinion, it is particularly appropriate, under existing circumstances, that the public should know facts and face facts. We will not emerge from our difficulties through the application of political nostrums or the doctrines of Coué. This will require co-operation, sacrifice, the general re-establishment of thrift, and good leadership. These are times when sound publicity and independent thought are invaluable."



SIR HORMISDAS LAPORTE
President, La Banque Provinciale du Canada

"I have learned with pleasure that your paper is celebrating, this year, its 25th anniversary. During these years, I have seen The Financial Post grow from a humble beginning to its present position in the financial field, where it is now recognized as one of the leading financial papers. I wish your organization and its officers many more years of continued development and prosperity.

"In my opinion Canada is upon the threshold of a period of unprecedented development, both in its industrial and commercial life. The last few years have been instrumental in bringing forward the best thoughts and endeavors of its manhood in remodelling its financial, industrial and commercial structure, and with its vast natural resources unimpaired, Canada should soon become a leader amongst nations, and produce for its citizens, wealth and prestige.

"But this objective will be achieved more rapidly, through careful and sound planning by the leaders of each individual concern and the practice of thrift by each individual citizen.

"Were I forty years old, I would feel that the next decade would bring to my commercial endeavors results never yet dreamed of.

"To the younger men I say 'GO FORWARD CAREFULLY, BUT WITHOUT HESITATION.' "

H. Laporte

RUSSELL D. BELL
President, Jamaica Public Service Company; President, Industrial Acceptance Corp.

"Canada's heritage is not impaired in spite of the difficulties confronting us. Of these the greatest which lies within our partial control is the cost of government in all its ramifications. The Financial Post and those it serves can do little about increasing the price of wheat, but your publication will doubtless accomplish much toward the reduction of the country's greatest burden.

"Allow me to express congratulations on its 25th anniversary to The Financial Post, its publisher and editors who have never hesitated to express their own views and who have made the publication a necessity to those for whom it is intended."

R D Bell

R. O. McCULLOCH
President, The Goldie & McCulloch Co.; President, Mutual Life Assurance Co. of Canada

"I would like to extend my heartiest congratulations to Lieut-Col. John B. Maclean and the editors of The Financial Post on the occasion of the celebration of the twenty-fifth anniversary of its establishment. I remember when Col. Maclean started The Financial Post and I have watched its growth from a small beginning to a position of great influence as one of Canada's leading business newspapers. Canada needs men of vision, spiritual, constructive and patriotic, and not carping critics, and The Post is to be commended on the position it has always taken on Canadian and Empire affairs."

R O McCulloch

VICTOR M. DRURY
President, Drury & Co.; President, E. B. Eddy Co.

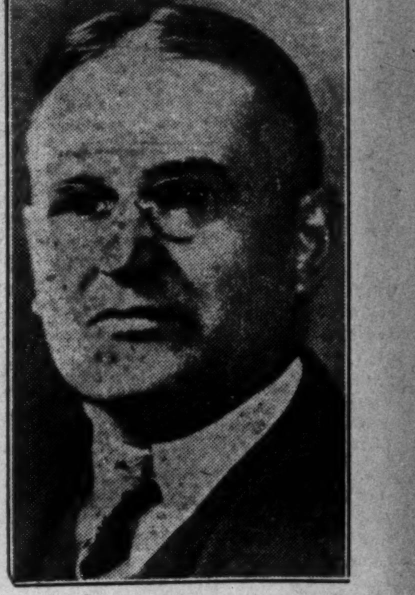
"The twenty-five years during which The Financial Post has served its readers represents probably the most important period to date in Canada's history. Since 1907 the country has passed through many periods of boom and panic, inflation and deflation, and is now emerging successfully from the greatest test our economic system has yet had to face. In spite of temporary setbacks, the history of this country has been one of steady progress. With a sound banking system, and with a market for our agricultural products assured as a result of the Imperial Conference, Canada now stands at the threshold of her greatest development."

JNO. D. MANSFIELD
President, Chrysler Corporation of Canada

"Congratulations to Lieut.-Colonel John B. Maclean and The Financial Post on its 25th anniversary, which marks for The Post a quarter century of increasing service to the Canadian world of business and finance.

"The Post is a weekly reminder of a fact that we should all realize that the progress and prosperity of this Dominion are firmly based on great natural resources, a sound financial and business structure and a vigorous and enterprising people. One cannot read The Post without being impressed with these three great national assets, and these assets will carry us rapidly and surely back to full-tide business activity, provided we apply the only known effective formula for recovery — sound thinking and hard work."

Jno D Mansfield



S. H. LOGAN
General Manager, The Canadian Bank of Commerce

"The 25th Anniversary of The Financial Post affords a welcome opportunity to pay one's respect to this paper for its valuable services to the public generally, and to the banking and business world in particular.

"As a source of prompt and reliable economic information it has made itself useful to bankers and business men, not only in Canada, but also in many parts of the world. Its well-balanced articles on current events are known to be widely appreciated by an ever-growing circle of readers.

"I am happy, therefore, to be able to congratulate The Financial Post on its success in the past, and to wish it every encouragement for the future."

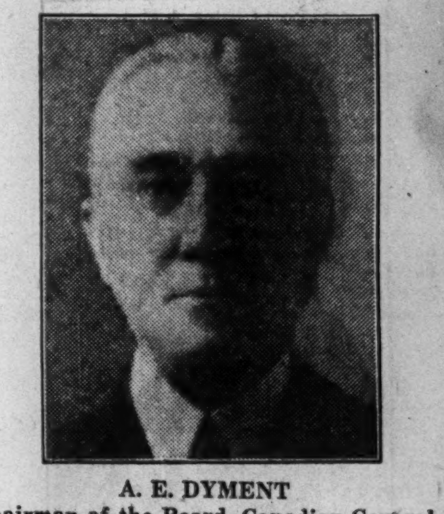
S H Logan

EDWARD L. ANDERSON
President, Winnipeg Electric Company

"To be in business 25 years, to pass through the periods of depression and prosperity these years have witnessed, and to emerge as aggressive, up-to-date and attractive as The Financial Post is today, evokes my admiration and congratulation.

"Your fearless fight for Canadian individualism and against unnecessary political interference and government competition with legitimate business has received fitting endorsation in the recent Duff report. The embarkation of governments, subsidised by public funds, on industrial undertakings, already properly taken care of by private enterprise, has created ruinous competition directed against those who are frequently the heaviest taxpayers. Keep up the good work."

E L Anderson



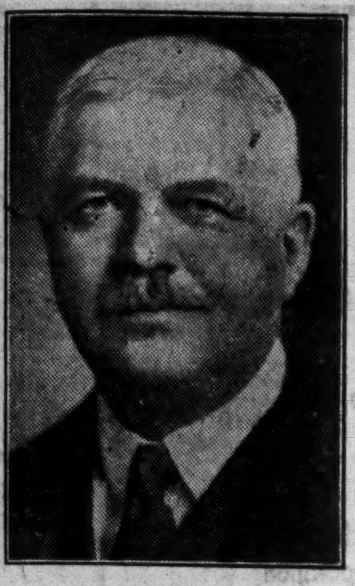
A. E. DYMENT
Chairman of the Board, Canadian General Electric Co.

"During the past twenty-five years The Financial Post has made a unique position for itself in the journalistic and financial field in Canada, and I congratulate it on its achievements.

"During this same period Canada has experienced and successfully passed through a number of other periods of depression, which have been followed by expanding trade and increasing prosperity. Though the depression, which we have just passed through, has been particularly severe, I feel that Canada has stood up under it as well, if not better, than most other countries, and with the successful conclusion of the Empire Conference at Ottawa, I think we can look forward with hopefulness to increased trade and greater happiness for all our people.

"I heartily agree with the late Sir Wilfrid Laurier's prophecy, in speaking of the progress of this and other countries, that this century would be Canada's."

A E Dyment



H. B. HENWOOD
General Manager, The Bank of Toronto

"We desire to extend our congratulations upon the approaching 25th anniversary of the establishment of The Financial Post. In the Bank of Toronto we have appreciated very much the splendid service the paper has rendered through the very able articles that have appeared in its pages touching matters of finance.

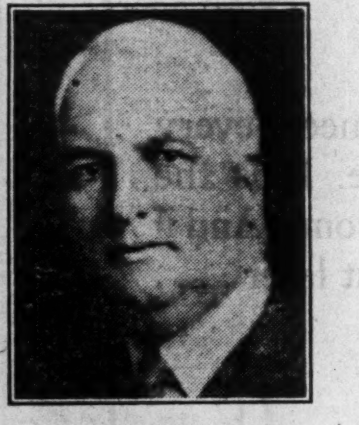
"Please convey to Colonel Maclean our warmest congratulations and best wishes that under his guidance the fine service of The Financial Post may continue for many years."

H. B. Henwood

HON. CHAS. A. DUNNING
President, Lucerne-in-Quebec Community Association; President, Ontario Equitable Life & Accident Insurance Co.

"Memories of the 25 years of history covered by The Financial Post recall both good times and bad, but a reading of past files of The Post would, I am sure, inspire faith that the qualities which have carried the Canadian people through past difficulties will again prevail. The Post's important role of providing accurate and unbiassed financial and statistical information will be of increasing value from now on in enabling Canadians to avoid the errors of the past."

Chas A Dunning



FRED H. DEACON
F. H. Deacon & Co., Members Toronto Stock Exchange

"I am not one of those who think all the Canadian giants in politics and business are dead. Canada has many industrialists and financiers, middle aged or younger, who have shown intense earnestness, courage and clear vision during extremely difficult days. When The Financial Post was inaugurated it would not have dared to say Canada would occupy fifth position in world trade within twenty-five years. Empire trade development will probably bring Canada to a still higher position in the next quarter-century.

"I congratulate The Post on its Silver Anniversary. Directly, and through its subsidiary publications, it has acquired a fund of dependable and up-to-date information on Canadian securities which is of great value to its readers. The Post has a reputation for enterprise and independence of expression which has required both financial and moral courage."

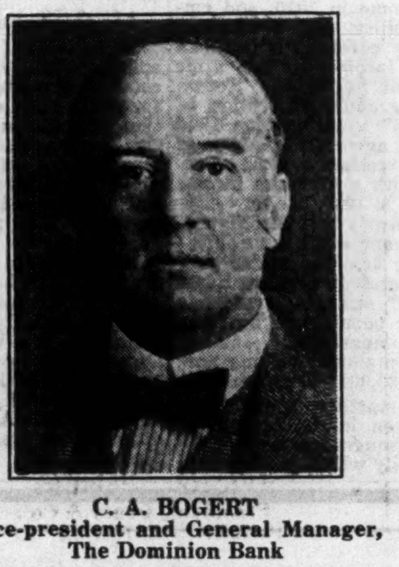
Fred H Deacon

R. C. STANLEY
President, The International Nickel Co. of Canada

"The past twenty-five years have seen Canada entrench herself in the development of her rich natural resources and at the same time make significant strides towards rounding out her economic life through the growth of her manufactures. Done during a period which was interrupted while she gave generously of men and money to the world war, the accomplishment is notable.

"The position which Canada has attained in wheat and cattle and in nickel, copper, gold and other precious metals should soon be matched through the vigor of her industrial growth.

"Intelligent planning and control of these varied forces will require increasing capacities of industrial and financial leadership. The Financial Post is to be congratulated on the part it has played in this field during Canada's coming of age as a world power, and I have confidence that it will continue to serve the Dominion well in the era of her productive maturity."



C. A. BOGERT
Vice-president and General Manager, The Dominion Bank

"On the occasion of The Financial Post's twenty-fifth anniversary, it gives us great pleasure to offer our congratulations on its past achievements, and our best wishes for its future.

"The paper has been made an able, forceful and independent influence in financial matters during an extremely eventful quarter-century, and I trust will long continue to fill that role."

W. G. MURRIN
President, British Columbia Electric Railway

"I am interested to hear that this year The Financial Post celebrates its 25th anniversary.

"This is a time for strengthening the foundations of Canada's prosperity, and our courage will be tested by the way we face the problems confronting us, and the elimination of the effects of past mistakes. Waste, duplication and inefficient practices must be ruthlessly abandoned, both in our public and commercial life, if we are to advance successfully. We have nothing to fear if we handle the situation wisely and energetically."

FRANK A. ROLPH
President, Imperial Bank of Canada

"I take this opportunity of congratulating The Financial Post on attaining its twenty-fifth anniversary.

"I have watched your progress for over two decades during which time you have achieved and maintained a high place in the business and financial community.

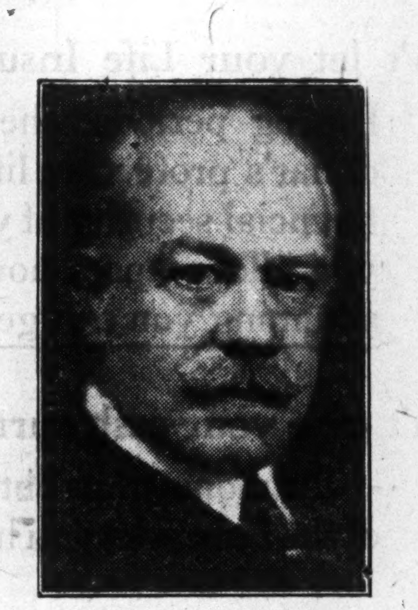
"If I have any message for business men at this time, it is not to sigh for or await the return of conditions that are past, but to adjust themselves as soon as possible to conditions as they are and build anew from that base. The sooner they can do this, the sounder will all business become and the better prepared will they be to take advantage of an upswing in business when it comes as it surely will."

Frank A. Rolph

HON. GEO. S. HENRY
Premier of Ontario

"It is not too much to say that everything of material value we have, or hope to have, depends upon the essential soundness of the financial structure of our country, and its institutions. If we have not fully realized this fact in the past, the experience through which many countries are passing will serve to bring it home very forcibly to all of us. The position of a journal which scrutinizes public and commercial finances, and furnishes information and opinions upon which its readers depend for guidance, is one of special trust and responsibility. In rendering such a service during a period covering a quarter of a century, The Financial Post has achieved a distinguished position which I trust it will long continue to occupy with advantage to its readers and to the public."

Geo S Henry



JULES BACHE
President, Dome Mines

"The courage shown by the financial and commercial leaders of Canada during this world depression is a cause of admiration and an inspiring example to other nations, all of whom have participated in this great catastrophe.

"In this development, the press of Canada has shown great leadership, and The Financial Post has always been found in the fore-front.

"Cordial congratulations to The Post, and above all, to the man at its head, Lieut.-Col. John B. Maclean."

Jules Bache

Fewer Banks But Larger Is Record of Banking

Although the number of Canadian chartered banks has decreased substantially in twenty-five years, financial statistics of these institutions have risen very rapidly in the intervening years.

Back in 1906, paid-up capital of Canadian chartered banks was $91,000,000 while twenty-five years later this figure stood at $144,675,000. Assets which twenty-five years ago totalled $878,500,000 increased nearly fourfold and at the end of 1931, were slightly over $3,000,000,000. The peak was in 1929 when assets of chartered banks totalled more than $3,500,000,000. Liabilities to the public have increased in like ratio and a figure of $713,000,000 at the end of 1905 had risen twenty-five years later to $2,742,000,000.

The growth of demand deposits was not so great, a figure of $135,000,000 in 1906 now standing at $578,600,000 after a lapse of twenty-five years. About the same ratio of growth was shown by notice or savings deposits which rose in the twenty-five year period from $382,000,000 to $1,438,000,000.

In the same period, deposits in the government post-office had declined by one-half; the figure of $45,736,000 of 1906 having shrunk to $24,750,000.

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Insurance Progress Of Quarter Century Offers Fine Record

Manner in Which Service to Policyholders Has Grown Dominates Even Rapid Statistical Growth of Past Twenty-Five Years

By KENNETH R. WILSON

There are many yardsticks by which the record of insurance growth in Canada over the past twenty-five years may be judged.

The most obvious is the statistical record, for in this period the institution of insurance in the majority of its branches has enjoyed a development far exceeding even the rapid growth of economic and industrial life in this Dominion.

Take, for instance, life insurance. At the end of 1906 the companies then operating in Canada (the majority of which were Canadian) reported some 390,000 policies in force throughout the Dominion for a total business of $656,261,000. Twenty-five years later the same records covering the business of federally-licensed companies showed no less than 6,772,500 policyholders and a total business in force of $6,622,500,000—more than a ten-fold increase in insurance in force and a seventeenfold growth in number of policies issued.

Put another way we find that whereas twenty-five years ago, there were insurance policies in force for 10 out of every 160 citizens, today there are policies in force for 100 out of every 160. In a great number of cases the coverage is small, and is obtained perhaps by an industrial contract, but the fact remains that the protection is there were it was not before, and is a tribute to the tremendous strides taken in the past few decades by this age-old financial institution.

Assets Increase Tenfold

Equally impressive of course are the figures of assets and premium income and the amounts which have been paid out in turn to living policyholders and to beneficiaries. Assets for instance, of Canadian companies and of British and United States companies in Canada, have increased more than tenfold from $180,400,000 twenty-five years ago to $1,975,000,000 at the present time. The same is true of premium income which in 1906 amounted to but $22,000,000 annually and now nets companies exactly ten times that amount. Disbursements to policyholders have grown even more rapidly and whereas a quarter century ago they represented a sum of about $11,500,000 annually, they last year reached a new high peak of $135,407,000. In the twenty-five years, life companies in Canada operating under federal jurisdiction have distributed to policyholders or their beneficiaries something over $1,150,000,000.

In the realm of fire insurance the growth has not been so spectacular but even here the growth has been impressive for we find that the amount at risk in federally licensed companies has grown between seven and eight fold in the quarter century while cost to policyholders has steadily declined and is currently at the low point of the century.

Another highly impressive achievement in the insurance world has been the steady and rapid growth of casualty insurance. True, customs and habits have changed and coverage which loomed large many years ago have now waned in importance but the significant fact is that this branch of insurance as now constituted, has been largely a product of this twenty-five year period. Thus at the end of 1906 there were but few types of contract issued and total assets of the companies engaged therein was but $3,147,000. Total cash income of these companies was only $1,591,000, of which $1,441,000 was net cash for premiums. Today, when business of provincial licensees is included the total premium income approximates $37,000,000 annually, of which almost half is automobile insurance. Under federal jurisdiction alone there are over 250 companies licensed to operate.

Other Yardsticks Available

But interesting as this statistical yardstick may be to measure the growth of insurance progress, there are other even more vital considerations if we are to correctly take the measure of the past quarter century.

Here again we turn first to the life insurance field, not only because its record is a most satisfactory one but also because it is a matter of no little pride to reflect that the growth in this field has been for the most part by Canadian companies, many of which now stand acknowledged as the foremost institutions of their kind in the world.

Take the matter of underwriting. A quarter of a century ago life companies both here and abroad looked askance at a prospective client who had tubercular symptoms or history. The same was true of many other diseases and impairments which effectively barred a man in those days from purchasing life insurance. Thus the primary purpose for which the companies were organized was unfortunately restricted to the comparatively "good" risks, where in many cases, the need for insurance was less imperative. Today, thanks to the untiring zeal of medico-actuarial experts, very real progress has been made and the great majority of impaired risks can now obtain protection.

Then, too, the policy contract has been greatly widened with very real benefit to the policyholder. There are many who still remember the days when insurance contracts were hedged about by all manner of "conditions." For instance a trifling mis-statement of fact in the application, even though it had been made in good faith, was sufficient to render the policy void. Failure to pay a premium within 30 days after the date it became due, involved cancellation of the policy. Privileges were few and no compensation was guaranteed in respect of surrendered policies. It was only fifty years ago that T. B. Macaulay of the Sun Life of Canada, pioneered in the issuance of the first "unconditional" policy which swept away at once, much that had hitherto barred the general sale of policy contracts.

Another Canadian Achievement

Much of this pioneer work was done in Canada in the later years of the last century and the foundations laid for further important advances in the past twenty-five years. Thus there developed the idea that policy premiums should be waived in the event of total disability of the policyholder, a plan which was adopted in Canada about 25 years ago and which later, led naturally to the development of total disability insurance. The double indemnity feature of policies was another important step as was the adoption of "non-medical" policies which came about as recently as 1921. This now widely adopted feature of the insurance business deserves particular mention for its initial development in the insurance world was due to the efforts of V. R. Smith, now actuary and general manager of the Confederation Life. Another outstanding tribute to Canadian leadership in this field.

Still another avenue in which important advances have been made has been in the adaption of the insurance policy to the needs of the individual and to business and commercial life. Foremost here is the group insurance contract which made its initial appearance after the war and now covers a volume of business amounting to over $500,000,000. Similarly, business insurance contracts of all types have been developed to fit the needs of partnerships and all other forms of corporate association.

In the individual policy sphere the past quarter century has evidenced remarkable advances in types of policy available to suit every individual need and in devising valuable settlement options many of them involving the co-operation of trust companies, which round out the insurance contract in a manner little dreamed of a few decades ago. Equally important gains have been made in developing uniformity of contract and policy conditions as between the several provinces of Canada—a feature not generally appreciated by the average policyholder but of fundamental importance to the successful and economic development of the business.

Company and Agency Progress

Nor would the record of the past twenty-five years be complete without reference to the very material progress made by the companies themselves and particularly by the agency forces in co-operating for their own improvement and the advancement of the business generally. In this regard the life insurance business stands second to none on this continent, and the outstanding success achieved has been almost entirely a product of the past 25 years.

For instance, through the good offices of the Canadian Life Underwriters' Association and its member groups throughout Canada, the whole business of selling life insurance has been placed on a vastly higher plane and largely as a result of their own efforts a high type of well-educated, competent agent has been developed and the evils of rebating, twisting and the like which were the the curse of the business three decades ago, very largely eliminated. The much-sought degree of C. L. U. now held by between 500 and 600 life insurance underwriters in Canada is further evidence of the improved standards set up among insurance agency forces themselves.

For the companies themselves, great praise and credit is due to the high purpose which has governed the operation of the business in the past two decades. There has been a remarkable freedom of any attempt at exploitation of the institution of life insurance for financial gain but rather a praiseworthy desire to operate these companies in the best interests of policyholders. This achievement has been due no doubt in large degree to the dominance of the actuary and the actuarial mind in the executive control of the business. A goodly majority of the leading companies in Canada are actually under the management of actuarial experts, and here again the spirit of co-operation which has characterized this important sphere is noteworthy. The Actuaries Club of Toronto, an unofficial but highly influential body whose membership embraces over 130 leading actuaries in Canada has recently celebrated its twenty-fifth anniversary and through its good offices a measure of unanimity of action and co-operative improvement of the business has been achieved, which has been of paramount importance.

Not only have Canadian life insurance companies beeen highly successful in Canada but a further feature of the past thirty years has been the continued expansion which has taken place into foreign fields. Canadian companies now carry on business in no less than 53 countries and have something over $3,500,000,000 of life insurance in force outside Canada. Some Canadian fire and casualty companies have also been successful in developing a substantial business in other parts of the world.

One further word concerning life insurance progress during the quarter century period, is very much in order, namely the fine record of financial solvency and integrity which has been maintained in spite of the trials of a great war, a great epidemic and a great depression. The proud boast that no company licensed in Canada has failed to meet its just obligations to policyholders by so much as a dollar, is still true and bespeaks a record which cannot be too lightly appreciated.

Fire Insurance Makes Advances

The way of the fire insurance company in the same period has been less spectacular but here, too, definite advances have been made. It was little more than 25 years ago that the now widely used plan of specific ratings for all types of risk was adopted in this country. Its adoption was hastened by the major conflagrations in Hull, Ottawa, Montreal and Toronto which were a lurid chapter in the early fire records of the present century, and by 1907 it had been gradually extended to mercantile business. Formerly rates had been based on a simple tariff which grouped municipalities into some six or seven divisions according to size and allocated to each a flat rate of premium. Within these municipal groups were four further classes which rated buildings according to occupation.

Today a highly complicated but effective system of specific ratings has been developed which considers the fine points of each risk such as exposure, construction, occupational hazard and individual protection offered in each case. As a result of this plan, there has been a real incentive to fire protection and prevention and a corresponding reduction in the average premium rate as fireproof construction and more efficient fire protective devices have been developed. The development of the sprinklered risk which has been almost entirely a matter of the present century is typical of the strides made in this regard.

As a natural result of this trend, premium rates for fire insurance (which represents the net cost of insurance protection to insurers) has steadily declined and an average rate of $1.50 per thousand of risk in 1908 has now been cut to 80 cents. This achievement has undoubtedly been the outstanding contribution of fire insurance in this country in the past twenty-five years and here again the achievement has been largely due to co-operative efforts through such bodies as the Canadian Fire Underwriters' Association.

Casualty Has Rapid Growth

Closely allied to the business of fire insurance has been the insuring of various types of casualty hazards. As we have seen, this class of business was of very minor importance prior to the turn of the century; in fact its major growth has taken place almost entirely in the past 20 years. Incidentally it is interesting to note that the term "casualty" has been imported in this period from the United States, the British designation of "accident" insurance having been used prior to recent years.

Twenty-five years ago the two major groups of casualty coverage were personal accident and sickness which netted about $2,500,000 of premium income in 1910, and employers' liability and workmen's compensation coverage which had a premium income in the same year of about $1,650,000. Today, due to the gradual absorption of the workmen's compensation field by provincial agencies, this type of cover which reached a peak of development with a premium income of $6,000,000 in 1929, has now slipped back to nearly half that figure, although, of course, the same objective is being achieved under provincially operated organizations. Accident and sickness cover has retained its popularity, but has shown a comparatively smaller growth. Its premium volume now totals about $9,000,000 annually.

The most startling growth has, of course, been in the automobile field. This youngest member of the casualty family which in 1910 paid for but $80,000 of business, now dominates the field and accounts for a premium income of about $18,000,000 annually.

Association Developed

As a result of the gradual broadening of this type of business, the companies engaged therein have for many years united for the solution of common problems and active associations for the improvement of the business have grown up. Originally these associations followed the individual lines of experience. Thus the Casualty Insurance Managers' Association supervised the business of personal accident and sickness insurance. Two organizations exercised jurisdiction over the liability field, one in Ontario and the West, the Western Casualty Underwriters' Association and the other in Quebec and the Maritimes, the Eastern Casualty Underwriters' Association. In addition there was the Plate Glass Underwriters' Association; the Canadian Guarantee Underwriters' Association and a burglary underwriters' group. As automobile insurance developed a separate association for these companies also developed.

Finally in 1922 a co-ordination of these various bodies was undertaken and as a result a Canadian Casualty Underwriters' Association formed which now deals with the problems of practically all types of business in Ontario, Quebec and the Maritimes, with the exception of automobile and one other class for which separate organizations are still maintained. This development has been of material assistance to companies and policyholders alike, and although much remains to be done, important progress has been made toward improving policies and underwriting methods in a field which promises within a very few years to exceed in importance the old-established institution of fire insurance.

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SUN LIFE ASSURANCE COMPANY OF CANADA

Canada Stable Field for Investing Funds

Canada Has Drawn More Outside Money Than any Other Land

British Pre-War Billions Made Possible Canadian Railroads — U. S. Poured Post-War Billions — Built Up Pulp, Paper and Power Enterprises

CANADA USED OWN RESOURCES IN WAR

Aided Great Britain With Credits—Canadians Have Growing Investments Abroad — Next Inrush of Capital Awaits Improvement in Trade and Immigration, and Will Finance Expanding Industry

By WELLINGTON JEFFERS
Investment Editor, The Financial Post

W. J. JEFFERS

Financiers, industrialists, business men and investors of the two strongest financial nations on earth have in the last 25 years done Canada the sincere compliment of extending her more credit than any other nation in the history of the world ever enjoyed in a similar period from outside its borders. First, Great Britain poured money by hundreds of millions of dollars into Canada in the seven years preceding the outbreak of war to finance the construction of three transcontinental railroads, the needs of governments and municipalities, land, lumber and mining ventures and to assist in the mushroom growth of communities arising out of all this expansive activity. Then, after the war, the United States "carried on" sending dollars by billions to create pulp and paper mills, obtain great tracts of merchantable trees for pulpwood, develop huge power enterprises and to finance the needs of municipalities and governments.

The British in those early days were real adventurers. They knew that railroads were being built far ahead of immediate needs but they also saw the immigrants pouring into Canada by hundreds of thousands and were willing to take a chance. Sir Wilfrid Laurier gave such currency to the words, "The Twentieth Century is Canada's," that it was accepted almost as an article of faith in Great Britain by sober financiers as well as by the rank and file.

Immigrants Brought $630,739,975

Under a spirited immigration policy the total number of immigrants passed 100,000 for a single year in 1903, 200,000 in 1908, 300,000 in 1911, and 400,000 in 1913. The great wheatlands of Western Canada formed the lure though many were drawn aside to cities and to industries in which they had worked in England, Scotland or Ireland. The real estate boom [illegible] ran rampant for about four years, worried a few responsible people here and there but filled the great majority with the wildest enthusiasm. That also drew millions of money from Great Britain and the United States.

In this period 1900-14 $630,739,975 was estimated to have been brought in by 2,906,022 immigrants who for the most part were quickly absorbed into the life of the country where they participated in the endeavor to create more wealth. Almost as many immigrants came from the United States as from the British Isles during this period and hundreds of thousands more during the prewar period came from other countries. Many of the latter were drawn to Canada by the keen demand for unskilled labor caused by too much railroad building.

Though Canadians themselves may be credited with having the largest part in the quadrupling of Canada's wealth in a quarter of a century, Canada owes a great deal to these immense sums of money or credit which passed across the Atlantic Ocean from the British Isles or across the border from the United States. After the depressions of 1907-1908 those years of railroad building, of rapid settlement in the West and of industrial growth to take advantage of expanding markets were very prosperous years. It meant a huge demand for raw materials and for finished products not only in Canada but from outside Canada. There were therefore huge "unfavorable" balances of trade which were accounted for by the access of new money.

Not until after the war did the Dominion Bureau of Statistics begin to estimate the national wealth of Canada. An average of various estimate of other authorities, however, was that the capital investments of other countries in Canada in 1913 amounted to $3,325,000,000 of which Great Britain had contributed $2,500,000,000, the United States $650.000.000 and other countries $175,000,000.

The war changed everything. Great Britain not only needed all its available wealth to pursue the war but it had a tremendous debt and almost appalling social and economic problems to contend with after the war. United States, however, as a supplier of warring nations acquired wealth faster than in any period of its existence. It became a great creditor nation within a few years and Canada next door became the beneficiary. From these many billions of dollars of new money pressing for the most profitable outlet such large amounts came into Canada that the wealth of Canada owned outside the Dominion was estimated by The Financial Post Business Year Book to be $6,364,000,000 on January 1, 1932, divided as follows: United States, $3,940,000,000; Great Britain, $2,189,000,000; and other countries $235,000,000.

The sound feature of the statement is that while foreign investment in Canada (treating British investment as foreign for purposes of comparison) has not quite doubled since 1913 the wealth of Canada trebled in the same period. Canadians, in other words, contributed more to the growth of wealth than did outsiders.

Canada Was Favored Borrowers

In 1907 Great Britain's investment in Canada was estimated by Sir George Paish at $1,460,000,000, and up to 1914 it increased, except in 1908, by $200,000,000 a year to $2,500,000,000 in 1914, but has decreased by a net amount of more than $300,000,000 since that time in spite of recent increases. The capital sent to Canada by Great Britain from 1907 to 1913 was one quarter of her total capital exports, and it was more than went to any other country. The United States was second in the list with about two-thirds of the amount. Of $17,000,000,000 of British capital invested in other countries in 1913 it was estimated that Canada and Newfoundland had received $2,500,000,000 or nearly 14 per cent while the United States altogether had received $3,770,000,000 from England. About one-third of British capital exports went into railroads in Canada and the same proportion was observed in British investments in other parts of the world.

National Wealth Quadrupled

It is probable that since 1907 national wealth of Canada has quadrupled. Rough estimates place it at between seven and eight billion dollars in 1907, at $11,116,500,000 in 1914, at $16,000,000,000 in 1920 (the first Dominion Bureau of Statistics estimate) and at $32,000,000,000 on Jan. 1, 1932 (estimate by The Financial Post Year Book). But nearly 80 per cent is now owned by Canadians and the contribution received from outside Canada is about 20 per cent. Of the total outside investment in Canada 61 per cent is now held by United States owners, 35 per cent by British and 4 per cent by residents of other countries.

Still this involves considerable payments each year in interest and dividends. In 1914 it was estimated that Canada was paying annually at the rate of $135,000,000 to the United Kingdom as compared with $73,000,000 in 1907 and $59,000,000 in 1900. Payments to the United States for American capital invested in Canada were placed in 1914 at about $37,500,000. In the whole period from 1900 to 1914 interest payments were about $1,263,000,000 to the United Kingdom, $175,000,000 to the United States and $50,000,000 to other countries. If one includes amounts remitted for fire insurance, ocean freights, and dividends on Canadian bank stocks owned in England the amount remitted to England each year from 1900-1914, the average payment during this period would be about $275,000,000 in the opinion of the Dominion statistician.

The major change made during the period of the war in the relative foreign indebtedness of Canada was that by 1920 the United States stake in Canada had increased to nearly one-half that of the British. About $200,000,000 of Canadian securities were repurchased from England and all but $30,000,000 of these were resold in the United States.

Had Favorable Balance 1914-20

During the war Canada paid Great Britain or settled through that country $1,290,000,000 as follows: payments of interest and profits $750,000,000; shipping and insurance charges $240,000,000 goods sold on credit to Roumania and Belgium, $60,000,000; net advances to Great Britain by the Dominion Government of $138,000,000 and by the chartered banks of $200,000,000; securities repurchased, $200,000,000. That makes a total of $1,588,000,000 but there is a deduction of $298,000,000 for securities sold in Great Britain, mainly in 1914. During that period Canada paid to the United States $330,000,000 for interest and profits payments, $90,000,000 for shipping and insurance charges, or $420,000,000 in all while she sold securities to the extent of $900,000,000 and so had a balance of incoming payments of $480,000,000 so far as items other than merchandise are concerned.

During those six war years Canada piled up a favorable trade balance allowing for invisible factors, of $1,504,000,000 with the United Kingdom, an unfavorable trade balance of $1,080,000,000 with the United States, a favorable balance of $579,000,000 with other countries.

This worked out at a favorable balance of $1,003,000,000 or an average of $167,000,000 a year. Adding $235,000,000 net gold exports to the United States, the credit balance for the entire trade of the country is estimated at $1,238,000,000. The war cost Canada $2,027,000,000 and of this amount she borrowed $1,642,000,000 or 81 per cent. The extraordinary thing was that England, which financed so much of Canada's financial requirements in pre-war days, was herself financed to a certain extent by Canada during the war. In the interchange of credits between England and Canada the advances from Canada to Britain exceeded advances from Great Britain to Canada by $558,000,000. Adjustments of various kinds reduced this amount by March 31, 1920, to $138,000,000 in addition to $200,000,000 which the British Government owed to Canadian banks.

Situation Changes

From 1920 on the situation changes. The British pound has fallen for some years to levels which make Canadian borrowings there difficult. The war has taught the Canadian investor to buy his own government securities to an extent which would have been considered incredible as late as 1915. The United States investor with money to burn sees in Canada a favorable outlet. But the easily earned money of war and postwar days is at first not available.

Prices of wheat and farm produce fell dizzily in 1921 and 1922. There were therefore not as large surpluses available from foreign exports as previously for a time. But shortages of buildings, of machinery, of all sorts of goods, the quick upward rush of automobile sales and production assisted by heavy municipal and provincial programmes for building good roads soon brought about active conditions. To finance the good roads and the growing expenditures of government bodies in other directions soon outside money was required. The United States had the money, the dollar was pre-eminent so far as stability was concerned, and long before the Canadian dollar had come back to par credits began to come into Canada.

Falling prices of newsprint from post-war peaks made manufacturers look for cheaper sources of supply with ample power. As a result the last decade has seen Canada covered by gigantic pulp and paper and power operations, and a great deal of the money came from the United States. The keen demand everywhere in the world for materials in repairing the ravages of war and equipping world industry to the needs of the post-war era also led to prospecting in Canada on a scale never before known. Money from the United States and to a certain extent from England poured into the country to finance the search and the development further of properties already proven. United States investments placed at $750,000,000 in 1914, estimated at $1,250,000,000 in 1921, were at the beginning of this year estimated at $3,940,000,000 by The Financial Post. In other words the United States since the post-war period has put into Canada in one way or another an amount of about $2,700,000,000, and more than $3,000,000 since pre-war days.

What About The Future?

Where will new money for Canada come from and what will it come to do? Recreated urge and enthusiasm for railroad, pulp, paper and power investments can no longer be expected. Canada is already amply financed in these directions far beyond immediate requirements. There will no doubt in every year be important financing to do in connection with premier securities of railroad companies, but the growing difficulties experienced by railroads all over this continent in making money against the growing competition of trucks and buses and motor cars on a network of good roads mean that great readjustments must occur before money in the prodigious quantities cited once more finances these companies. It is reasonable to expect that governments and municipalities will lean and not in vain, to a considerable extent on either England or the United States for financing in periods when exchange is stable. This will be an easy matter so long as Canadians continue to show confidence in their own institutions by subscribing largely to these bonds.

Dividend Outflow Drops

The drop in prices and production has meant the practical cancellation of dividend payments on junior securities of most newsprint and many other industrial companies and this has lessened to a considerable degree the outflow of funds to those who control in the United States or elsewhere.

The close, sound and advantageous connection which grew up in the last decade between New York on the one side and Canadian municipalities and provincial governments on the other, was sadly shocked when England went off the gold standard in September, 1930, and Canadian exchange tumbled in sympathy. United States had been rapidly taking the place of England as the financier of the requirements for capital purposes of such municipalities and governments, but for such an arrangement to be continously satisfactory to borrowing governments and municipalities there must be stability of Canadian exchange with reference to the United States dollar. What seemed like successful financing in the past has assumed a different aspect in the last few years when such municipalities found that they had to meet maturing amounts and interest payments with premiums running all the way from 8 or 9 to 26 per cent. This greatly added in 1930, 1931 and 1932 to the amounts which had to be paid by Canadians for interest to the United States. From the national standpoint it was no doubt made up for to a certain extent because the depreciation of the Canadian dollar as compared with the United States' dollar acted as additional protection to Canadian industry. This curbed buying to a considerable extent by Canadians from across the line and at the same time encouraged United States importers to buy goods in Canada because of the margin given by exchange. The growing depression and inactivity of business prevented anything like full advantage being taken of that situation, however.

Dollar Pulled Two Ways

The Canadian dollar stands now somewhere between the pound and the American dollar. The present programmes for closer trade relations in Empire countries will, to the extent which these programmes are made effective, be successful in making stable relations between the pound and the Canadian dollar. But if the Canadian dollar were to come down to meet the pound the premiums paid on borrowed money in New York City would become larger and would prevent further borrowing in that direction. To make borrowing profitable between Great Britain and Canada the pound must become stable and the Canadian dollar stable with relation to it.

The advocates of Empire currency desire to get around that difficult problem. The growing tendency of Canadians to finance their own governments seems to be the best way out during this time, but in a time of growing business prosperity much of that money will go into industries and business, then there must be recourse to outside countries for additional funds.

"Favorable" Balances Stop

Canada has had favorable trade balances ever since the war up until the last two years. It had favorable balances throughout the war and unfavorable balances throughout the long period of expansion from 1907 to 1914. Early in the century this unfavorable balance amounted to about 10 cents per capita of the population in Canada, and then it advanced until just before the war it amounted to $42 per capita.

Canada is now equipped as never before to meet the needs of the recovery period when world dislocation of trade, industry and exchange has been overcome, when harmonious relations have been once more established between nations, and world trade is moving actively along the most effective channels. She has equipment, technical skill, man-power and experience enough to meet the demand of a much more active period even than occurred in the decade from 1920 to 1930. She is equipped as well to tap sources of revenue in our mines and forests, fisheries and on the farms of the Dominion as never before. Good roads and railroads already built make it still necessary for Canadians to spend large sums of money abroad to pay for interest and dividends on the capital which produced these great arteries for travel and trade in comfort.

Tourist Traffic Lifts Head

One factor now is in Canada's favor which was almost nonexistent 25 years ago. The Canadian and United States tourist traffic is greater than that between any other two countries in the world. The high per capita wealth in both countries and the close interlocking business interests promote travel. More Canadians proportionate to population travel in United States than do American citizens proportionate to their population. However, the smaller proportion of United States citizens makes a much larger number coming into Canada than the higher percentage of Canadians going into the United States.

From 1924 to 1930 exclusive the excess of tourist expenditures in Canada over what Canadians spend when travelling abroad is estimated to be nearly one billion dollars. More than $300,000,000 is estimated to have come into Canada in this way in 1929 alone, $279,000,000 in 1930 and about $200,000,000 in 1931 and about $150,000,000 in 1932. The premium on the American dollar is an additional inducement to United States citizens to travel in Canada, whereas on the other hand at present it acts as a deterrent to Canadians going into the United States. It has switched for the time being at least a considerable amount of travel by wealthy Canadians from United States to Great Britain and other countries with depreciated currency.

One Year Beats Fourteen

What a change has come since before the war may be seen from the fact that estimates made just previous to the war state that from 1900 to 1914 the total worth to Canada of the excess of travel in her favor was $140,000,000 or about $10,000,000 a year. Even though it should prove that recent estimates have been too optimistic it is still evident that in one prosperous year Canada gets more advantage now from this tourist traffic than she did in all the pre-war years of this century.

Because of heavy immigration Canadians in pre-war days did a heavy money order business. Immigrants earned and saved money and much of what they saved went home. From 1907 to 1914 $203,000,000 went abroad. On the other hand many of these immigrants were financed until they were well established by money orders from abroad. In the same period it is estimated that about $65,000,000 was received by them in this way. This money order business both ways still exists.

Investing Abroad

These incoming millions do not tell the whole story. Even before the war, Canadians were investing money abroad. There is coming into Canada even yet interest and dividends on pre-war investments and these provide a very acceptable balancing item. Considerable amounts of Canadian capital were invested in enterprises of United States, Mexico, Brazil and Spain. Most of the senior financing was done in Great Britain and the Canadian interest was mainly in junior securities. Nevertheless, these securities have been a source of considerable outside income to Canadians in settled times.

Canadian banks, having branches in New York and other sections of the United States and Great Britain, by their extensive services given in Cuba and South American countries have provided a considerable foreign interest for Canada. The resources kept abroad by these banks are of great value in financing Canadian trade.

In 1907 call loans of Canadian banks abroad amounted to nearly $63,000,000. This grew to $145,000,000 in 1914, $205,000,000 in 1920 and reached a peak of $330,000,000 in June, 1929. Because of the industrial depression this dropped down to $91,000,000 in October, 1931, and $96,400,000 in August 31, 1932. Other current loans outside of Canada amounted to $159,000,000 on August 31, 1932. This compares with $27,000,000 in 1907, $44,500,000 in 1913 and $193,700,000 in October, 1920.

Sales of debentures of Canadian trust and loan companies in Great Britain have dropped away of recent years because of exchange conditions. Business of British fire companies in Canada continues large. On the other hand, Canadian life companies have invaded other countries and do a great deal of business. Carrying charges for a growing Empire trade will be an important item and the excess will probably favor Great Britain. Most likelihood of growing capital investment in Canada will come in future, it is expected, in development of Canadian natural resources when prices rise to a point that shows profit in such enterprise. Higher tariffs have brought many branches of United States companies to Canada and this source of funds will continue prominent.

But the greatest influx will follow the next real movement of immigrants to aid in the further development of Canada. With unemployment rife, that seems a far cry but it is a natural readjustment following out of increased Empire co-operation and trade.

Water Power Growth Amazing in 25 Years

No group of figures show more startling changes in the past 25 years than those connected with the water power industry in Canada. In 1906, total installed turbine horsepower was 608,000 h.p. and 25 years later this figure had increased more than tenfold to 6,666,337 h.p.

The only other figures which are available on a comparable basis show that the number of power houses, which in 1906 total 157, has increased to about 590.

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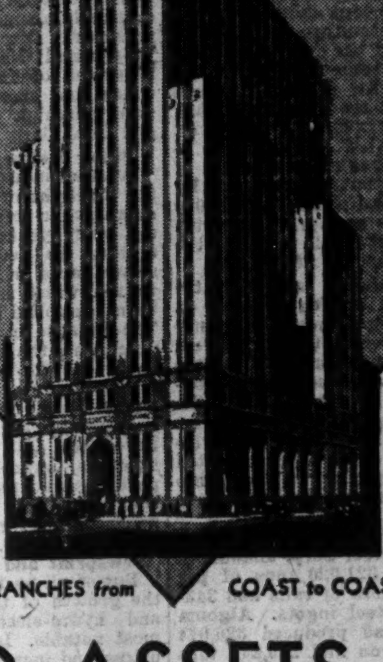

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Twenty-Five Years Sees Notable Canadian Industrial Growth

In Quarter Century Nation Joins Ranks of Industrial Giants

Steel, Power, Paper, Textile, Mining Advance Remarkably as Financial Geniuses Find Necessary Capital and Small Units Grow Into Larger Ones

By R. D. GILPIN-BROWN
Montreal Editorial Staff, The Financial Post

Canada's national life began in an industrial age. The great forward sweep of industrialism was well under way at the time of Confederation and the Dominion was borne forward on the flood-tide of a great manufacturing activity from the time it was given responsible government. In this new country there were few barriers to industrial progress such as might have been encountered in the old world. There were few inhibitions to be overcome; each new product of inventive genius found a fertile field in young Canada.

R. D. G.-BROWN

No wonder its industrial growth has been remarkable. In Canada there were untold riches in natural resources, and it was through industrial manufacturing only that these resources could be exploited. As each new phase of manufacturing activity was established, it set up an ever-widening ripple in the pond of industrial life; co-related industries sprang into existence; progress was almost geometrical. Basic industries were firmly established twenty-five years ago; since then progress undreamed of has been written into history.

Pull back the curtain of time and glance at industrial conditions in Canada in 1907. There was indeed the groundwork of industry as we know it today but the method and extent of industrialization has changed vastly.

Day of Small Provinces

In those days the smaller corporate entity thrived. True, there had been an epidemic of mergers in the late nineties but without the transportation facilities available today, rural life was then more segregated. Different communities supported their textile and flour mills. Carriage works were still busy supplying the needs of the populace; harness and leather makers found a wide market for their products.

The newsprint industry was in its infancy; rubber manufacturers were still cradled with the automotive trade to grow with outstanding rapidity in a few years. Lumbering, on the other hand, was thriving and the steel plants were working overtime to keep up with orders for new rails and equipment for rolling stock.

Railway development was going ahead with tremendous speed. Population had increased by leaps and bounds as each ship brought in thousands of immigrants to Canada; there was a certain trend of population toward industrial centres though in the west new land was being broken on an unprecedented scale drawing thousands of new settlers.

High time to call a halt, thought many a business man, as he surveyed the expansion undertaken in the past decade. It seemed to him that industrial development had achieved the impossible in its growth.

Growth of Automotive Trade

The next four years, however, were to witness changes unforeseen in 1907. Henry Ford's tinkering with internal combustion engines had resulted in a cheap motor car and the genius of this automotive wizard had laid the foundations of one of Canada's greatest industries. Gordon McGregor acquired from Henry Ford the Canadian rights to the Ford car, and made the Ford Motor Co. of Canada possible. Robt. McLaughlin, Oshawa carriage manufacturer, was induced by his sons, R. S. and George, to go in for automobiles and General Motors Co. of Canada, was born.

Canadian industrial development was able to take full advantage of the forward trend in science. In 1911 the electrical industry was beginning to stir restlessly. The tremendous potentialities of the country's water powers were being realized; indeed Niagara had already been harnessed. Frederic Nicholls had brought the Canadian General Electric Co. to a position where it was able to cater to the growing demands for the electrical industry; five years previously the company had manufactured the largest generator in the world, at that time, for the Niagara power plant of the Electrical Development Co. In 1911 the company had orders for apparatus with a total of 200,000 horsepower.

West Was Filling Out

Industrialization of the west was proceeding fast. All through the prairies, manufacturing industries were finding a place; flour mills, brick and clay products, lumber and planing mills, iron and steel fabricating plants were conspicuous. As the western provinces became more settled following the steady flow of immigration new factories were needed to produce the necessities of life. Installation of one new plant would lead to establishment of another manufacturing co-related products.

With the movement of wheat assuming ever-increasing proportions the handling of grain became an important factor. The elevator industry was thriving; chains of country elevators were springing up against the prairie skyline at all new points touched by the spreading net work of branch railway lines.

Aitken Plans Cement Merger

Everywhere industry was spreading out its tentacles. With the growth of the west and the general progress of cities in eastern Canada the construction industry thrived. Building was going forward at a great pace and output for cement had quadrupled in a few years. Max Aitken, E. R. Wood and other interests instituted one of the biggest mergers up to that time by consolidating leading cement companies into Canada Cement Co., since reorganized, which today produces about 80 per cent of all the cement manufactured in Canada.

The chemical industry was also having growing pains and with the incorporation of Canadian Explosives in 1910 there was formed the nucleus of Canadian Industries Ltd., one of the biggest factors in the Canadian heavy chemical industry today.

The steel trade was not neglected. In 1911 Dominion Coal Co. and Dominion Iron and Steel Corp. were consolidated; another merger formed what today is known as Canadian Car and Foundry Co. Steel Co. of Canada came into being in 1910 and the various properties of this great industrial unit were attracting wide attention. Flour mills were busy; the newsprint industry was definitely becoming a recognized factor in the economic structure. English money was pouring into Canada; there were plenty of funds available for financing new industrial enterprises for the natural resources of Canada, long talked about, were being more actively exploited.

Even then, in 1912, Canada's asbestos mines were the richest in the world. The silver camps in northern Ontario had been booming for some year; nickel and gold output was increasing. Because Canada could run her logs down to newsprint mills on the thousand streams which watered her forests and because those same streams could be harnessed for power it became apparent that the Dominion could supply a large volume of newsprint at relatively low prices. But in 1913 total Canadian production of newsprint was but 350,000 tons. By 1931 output had risen to 2,221,000 tons and the newsprint industry was the largest single factor in the industrial structure of Canada.

Shipping Industry in Spotlight

Canada was leaping forward on a crest of a great wave of manufacturing activity. Other mergers followed. Grant Morden and some English associates succeeded in consolidating the operations of 11 different shipping lines on the Great Lakes. Over 100 vessels were included in the deal which resulted in formation of Canada Steamship Lines, still the leading factor in lake shipping in Canada.

In 1913 J. H. Plummer, president of Dominion Steel Corp. announced an output of 321,020 tons of pig iron; 174,802 tons of rails and 343-251 tons of steel ingots. Algoma Steel Corp. had produced 326,074 tons of pig iron and 289,243 tons of rails in the same year. Textile mills were prosperous, all phases of industry were having too good a time to last and a substantial setback had developed before the end of the year.

War Disrupted Industry

Then came the war and subsequent disruption of all industrial organizations. Steel plants were enlarged and extended to concentrate their output on munitions. Millers found a demand for flour which necessitated plant additions which have since left the industry with a capacity far in excess of demand. Textile mills were kept busy but the industrial situation was abnormal and its operations throw no light on the normal trend of progress.

In 1918, however, industry was forced to undergo a trying period of readjustment, but this same period produced some noteworthy features. Perhaps one of the greatest examples of industrial ability to conform to changing conditions was seen in the explosive industry. Here was an industry whose chief outlet had been war. Science entered the picture, and in a few years the same material which had been used to make high explosives was being utilized to manufacture toys for children. A wide line of new products was developed by the heavy chemical industry in succeeding years.

Industry Moves on Wheels

After the war the automotive industry rolled on to new records. The world was moving on rubber tires; automobile and related industries expanded rapidly. Oil companies increased capacity of their refineries and their chains of service stations were spread out to embrace an ever-widening field. Motor car manufacturers were increasing their output; manufacturers of automotive equipment found a steadily widening market for their production. There were over 400,000 cars in Canada in 1920; six years previous there had been some 67,000.

Out of the war there came a new industry which has since grown to substantial proportions. The use of wireless had been proven and much progress had been made in improving receiving equipment. Radio was becoming an established field of entertainment and industry bent its efforts in conjunction with science to bring about further improvement. Manufacturing plants began turning out small receiving sets for popular use; the growth of this industry in recent years has been remarkable.

Merchandising Angles Change

With a change in the industrial situation there came new developments in merchandising. Astute minds saw that chain stores presented unusual fields for expansion. In 1919 William J. Pentland started the chain of grocery stores which was to grow from a modest three to 552 units last year under the name of Dominion Stores. In 1921, T. P. Loblaw, started his present chain of 159 stores with a couple of units; the merchandising trend began to swing steadily toward establishment of great chains with centralized buying and low costs. Departmental stores piled additional stories on their already massive structures and expanded their scope of merchandising to new fields.

The chain idea began to appeal to the entertainment industry. In 1920 there had been formed Famous Players Canadian Corp., which leased or controlled 11 motion picture houses in Ontario and Quebec. But three years later, continued expansion had brought its chain of picture houses up to 64 and the company continued to grow. Moving pictures were increasing in popularity; high cost of transporting legitimate stage shows was tending to diminish offerings in the older type of theatrical entertainment. The public were able to see new shows twice and three times a week in one motion picture theatre for small admission fees; movie theatres sprang up like mushrooms in the post war years.

Like the grocery industry, it became apparent that advantages were to be obtained through the system of selling entertainment through chain stores. Famous Players acquired additional houses until today it operates 208 theatres in different parts of Canada and comprises the largest single factor in the industry. Control was acquired by an American company in 1930.

Besco Comes Into Being

An outstanding event of 1920 was formation of British Empire Steel Corp. Promoters conceived an idea whose base rested on the establishment of a gigantic steel, coal and shipping merger which would resemble the structure of the United States Steel Corp. The plan was to merge Dominion Steel Corp., Nova Scotia Steel and Coal Co., with its control of the great Wabana iron ore mines, and Canada Steamship Lines. Canadian raw materials would be linked with English steel experience and money; the press of the day carried columns on the pros and cons of the plan.

Eventually the merger was consummated and British Empire Steel Corp. was formed though it did not include Canada Steamship Lines as originally planned. Roy Wolvin was president. Directors included Major-General Newton Moore, now president of the present concern which has emerged after further reorganization as Dominion Steel and Coal Corp.

Sugar Refineries Get Setback

Another industry which came into the limelight in 1920 was the Canadian sugar refining industry. After many years of successful operation the refiners found themselves faced with a drop in sugar values, which had for some years been controlled by the government. The collapse in the market was so precipitate that refiners were broken by the down-rush and new financing had to be carried out to enable them to carry on. In the succeeding years these companies have been able to meet their obligations, improve their weakened positions and place their houses in such order that they have regained much of the ground lost in the disaster of 1920.

Newsprint and Power Industries

But of all post-war developments the growth of the pulp and paper and hydro-electric industry was most notable. In the former, high prices and increasing demand were leading to expansion on an unprecedented scale. In 1920 the Riordon Co. entered on one of the most pretentious schemes in this field. New mills had been built, vast water power developments had been planned but falling newsprint prices brought about collapses before plans matured. The properties were taken over by what is now Canadian International Paper Co. in 1925.

A glance at the newsprint situation at this time is worth while for this industry has aroused more interest in the past decade than any other in Canada. Its growth has been nothing short of amazing and though it has fallen on difficult times it still constitutes the most important economic factor in Canada.

The newsprint industry had been going quietly forward through the war years and in 1919 Canadian mills had a rated capacity of 2,775 tons. Demand was growing steadily, the needs of the United States publishers appeared to be unlimited. Five years later additional mills had brought installed capacity up to 4,800 tons.

In 1926 output of Canadian mills exceeded those of the U.S. mills for the first time; production in Canada that year amounted to 1,882,000 tons. This was double the figure reported in 1921.

More Mergers in Newsprint

Despite the danger signals that became apparent to those watching the situation more tonnage was installed. In 1928 J. H. Gundy succeeded in drawing together the various properties which comprised Canada Power and Paper Corp., reorganized as Consolidated Paper Corp., within recent years. Outside the large consolidations, independents sprang up; rated capacity at the beginning of the current year was 12,376 tons daily or nearly five times what it was in 1919. With steadily dropping prices and an installed capacity substantially in excess of present demand there was only one answer to the query which sprang to the public's mind; the story of the difficulties of the newsprint industry is still living history. But despite its troubles, it is well to remember that Canada has grown to be the greatest producer of newsprint in the world.

With the growth of the newsprint industry there came an equally remarkable expansion in power development, though industrial expansion, particularly in the electro-chemical industry, was also responsible. Installed horsepower in Canadian power plants totalled 727,646 in 1907. This had been increased to nearly 2,000,000 horsepower at the beginning of the war and in 1918 the figure stood at 2,378,657 horsepower. The rate of growth was accelerated from 1924 on; in that year alone there was installed 747,666 additional horsepower or more than total installations in 1907. At the end of last year there was installed 6,666,337 horsepower throughout Canada.

This sharp gain reflects clearly the relation between power and industry. Pulp and paper companies were requiring large loads of power for their operations. Aluminum Co. of Canada, which brought its tremendous aluminum plant on the Saguenay River into production in 1926, is a good illustration of the development of an electro-chemical industry. James B. Duke, of the United States, was interested in vast power rights in the Saguenay district of Quebec and these properties, known as the Canadian Power and Manufacturing Co., were acquired by Aluminum Co. of America in 1925. A great refining plant was erected in the next year and Leighton McCarthy, K.C., then a director of the new company and today vice-president, said: "I am very proud that we have acquired this industry for Canada. At present there is only one place on this continent where bauxite is reduced to aluminum. After our works are completed there will be a second place." The company has completed a power development with an installation of 265,000 horsepower; other projects are planned to bring total power production to 1,260,000 horsepower.

New Textile Industries

In the textile industries there was relatively little change with two exceptions. These were the establishment of the celanese and artificial silk plants in Canada during 1926 and the astonishing growth of the silk industry in recent years. Courtauld's big plant at Cornwall came into production in 1926, manufacturing a wide line of rayon goods, and in the same year Canadian Celanese, under the presidency of Camille Dreyfus, brought the first unit of its Drummondville plant into operation. This was the first time that either of these materials had been made in the Dominion; so popular a market has been established that both plants have widely extended their capacity since originally opening.

The silk industry is the notable exception of the textile trade. Cotton manufacturers have been in the dumps for some time with lower earnings and declining output. In the silk industry production has increased rapidly in the past few years and the industry is becoming an increasingly important factor in Canada's textile trade.

Twenty-five years is a short time in the life of a nation. Yet in that period Canada has crowded the growth of a century into its industrialism. There are many living today who have seen Canada grow to be the world's largest producer of newsprint; the second greatest producer of electrical energy and gold; producer of 90 per cent of the world's nickel. They have seen new industries spring to life and thrive; in short, they have witnessed an industrial growth which in 1907 might well have been termed impossible.

Bank Clearings Gain in Twenty-Five Years

Some idea of the volume of business transacted 25 years ago is given by the figures of Canadian bank clearings. In 1906 bank clearings in Canada totalled $3,950,000,000 while twenty-five years later the corresponding total was $16,827,600,000.

No comparable figure is available for bank debits, these having been gathered only in the last decade. The total of bank debits for 1931 was $31,586,000,000.

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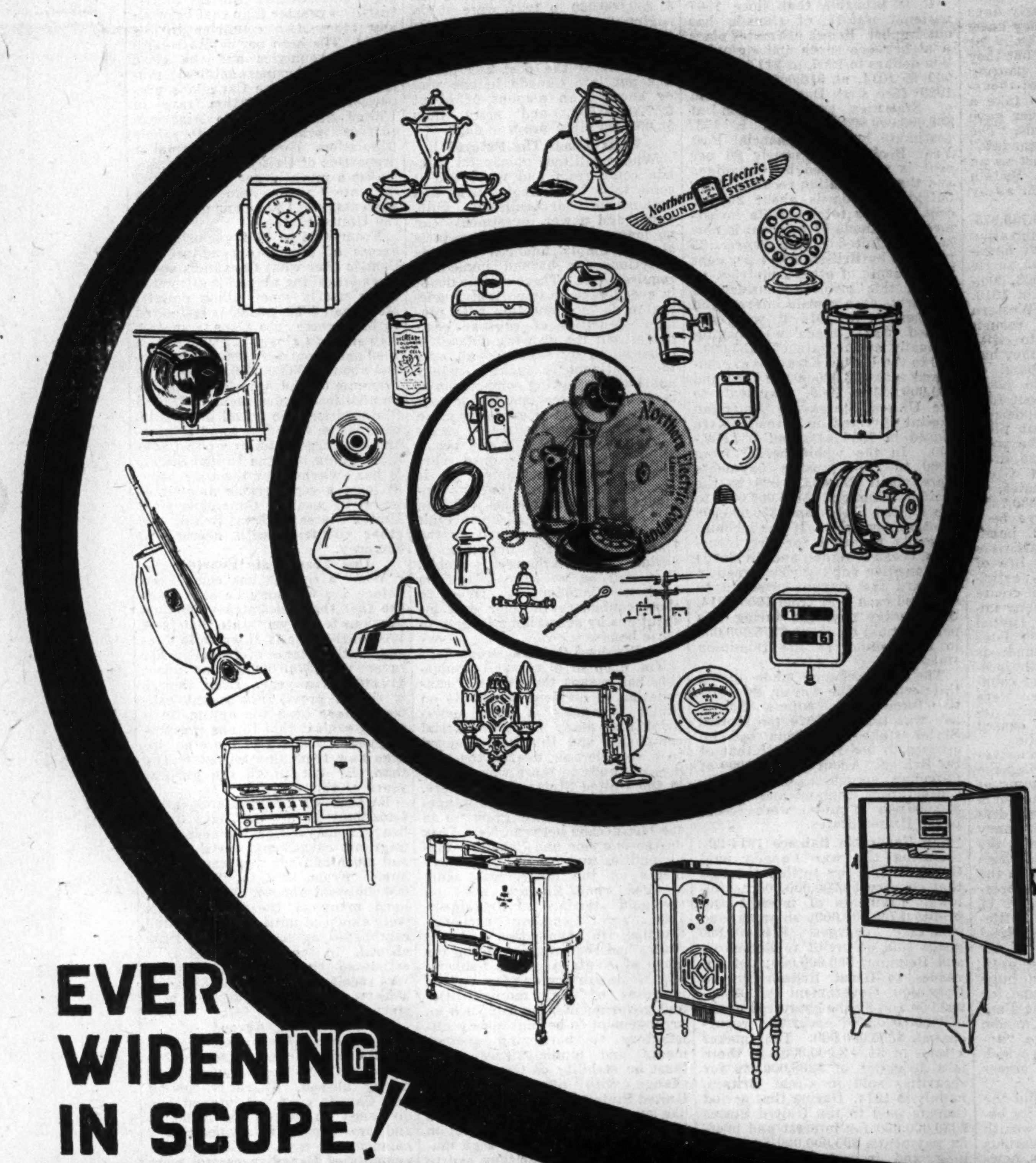

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MANY NEW CAMPS STILL ARE IN MAKING

Cobalt, Sudbury, Porcupine, Sullivan Mine, Rouyn, Flin Flon and Kirkland Lake Are All Products of Last Quarter Century in Dominion

By B. F. TOWNSLEY
Mining Editor, The Financial Post

The dramatic growth of Canada's mineral production in the last 25 years has been marked by the development of new mines to the extent that Canada now ranks among the leading mining countries of the world. Its output of nickel, asbestos and metals of the platinum group takes first place among world producers; its gold output is second only to that of South Africa; its silver output is third only to the United States and Mexico; its lead and copper production stands fourth among world producers and its zinc output fifth.

B. F. TOWNSLEY

In the twenty-five years The Financial Post has been published it has chronicled the greatest and most significant progress which the mineral industry of Canada has experienced.

In reviewing the great mining and metallurgical enterprises operating in Canada it is an interesting historical fact that twenty-five years ago only two of these enterprises existed under the present corporate name—the Consolidated Mining & Smelting Co. of Canada, Ltd., and the Granby Consolidated Mining, Smelting Co. of Canada, Ltd., and International Nickel Co. of Canada, the longest continuous mining operation in the Dominion, having undergone changes in corporate name and structure.

Is Story of Great Shield

The story of the development of Canada's mining industry is a story of the development of the vast pre-Cambrian shield that stretches in a U-shaped belt around Hudson Bay from Labrador to the Arctic Ocean covering nearly 2,000,000 sq. miles of Territory, or about two-thirds of the Dominion. Little was known of this vast area. In 1907—twenty-five years ago—the Sudbury nickel-copper area was the only firmly entrenched mining camp in the territory. The Cobalt camp was a lusty infant just striking its stride as a silver producer. Occasional survey and exploration parties traversed the region. Gradually there has evolved from the rugged terrain previously devoid of economic importance the established mining camps of Porcupine, Kirkland Lake, Rouyn, Northwestern Quebec, Matachewan, Michipicoten, Northwestern Ontario, Central Manitoba, Flin Flon and that new prospective mining area—Great Bear Lake.

When it is realized that scarcely 20 per cent of this pre-Cambrian shield has been geologically explored and only a small fraction adequately explored and prospected and having regard for what has been accomplished in the past twenty-five years, there may be a greater appreciation of what potential riches are in store awaiting only future exploration and the genius of man to develop.

Sudbury Then Unimportant

Twenty-five years ago Sudbury was a small town, dependent upon the nickel mines of the area that were striving for recognition of their products for more than armament purposes. Since that time great smelters and refineries have been constructed and annual production expanded eightfold in value, resulting in a modern city being established. Today the area supplies over 90 per cent of the world's nickel and is recognized as site of one of the great metallurgical enterprises of the world.

The Cobalt silver camp twenty-five years ago was little more than a name. In 1903 blacksmith LaRose discovered silver in the newly blasted railway cut and laid the foundation for the development of an industry at Cobalt that has since produced close to $280,000,000 in new wealth and won recognition as being one of the greatest silver camps in the world. Its peak value of production was reached in 1912, but if it has fallen from the eminence gained in bygone years it has made a further contribution to Canadian mining by opening the door to the great gold camps of Porcupine and Kirkland Lake.

Discovery of Ontario Gold

The Financial Post had had its second birthday when Benny Hollinger and his companions made a discovery in 1909 in the Porcupine area, that was the basis of one of the greatest gold mines in the world and which with other producers in the district contributed to the end of 1931 gold bullion to the value of $286,602,000. While it is true that commercial gold production had been reported as early as 1858 in British Columbia, and the production from the British Columbia placers and from the Yukon had reached a peak output of nearly $28,000,000 annually in 1900, subsequent years registered a severe decline and in 1907—twenty-five years ago—Canada's gold production was at the lowest ebb it has been in the present century and it remained for the Porcupine find to give a stimulus to lode gold mining that resulted in new camps and a steadily increasing production. In 1930 Canada's gold output stepped ahead of that of the United States to take second place only to the great producers of the Rand in South Africa.

Mines 5,000 Feet Deep

Kirkland Lake, currently Canada's largest gold producing camp, was discovered in 1911 and came into production in 1913. To the end of 1931 it produced gold bullion to the value of over $100,000,000. This camp is the home of the famous Lake Shore mine, the largest gold producing property on the North American continent, with a monthly output valued at over $1,000,000. No mining property in Canada better displays the possibilities in store for those who have the confidence and tenacity to stick by their convictions. Harry Oakes, staker of the property, was one of the pioneers of the camp. From a raw prospect that nobody wanted, sheer perseverance has been responsible for Canada's greatest gold producer.

In this same area, mining has been carried to a depth of 5,000 feet, demonstrating that such a depth offers no barriers to successful mining and indicating what the future has in store as depths twice as great are being planned for the future.

In 1920, E. H. Horne, prospecting in what were then the wilds of Northwestern Quebec, made a discovery of gold on the shores of Osisko Lake, but he did not find a gold mine. Instead he found one of the great copper mines of Canada, and led to the establishing of the great Noranda smelter and the founding of a community that is the centre of the Northwestern Quebec mining district. Though a great copper producer, this find is now becoming one of Canada's greatest gold producers owing to the development of copper ore of high gold content. In times of economic adversity a profitable copper producer is the exception and the fact that Noranda is steadily increasing its output facilities speaks volumes as to what can be hoped for in the future if and when copper prices improve. The Horne find was more than a find of new property—it was the find of a new district that has in recent years rapidly developed to be a great mineral area. Only time will tell what the future holds in store.

Flin Flon Comes Along

In 1915 Tom Creighton, a prospector in Northern Quebec, crawled over some rocks to get a better shot at a moose and discovered the Flin Flon mine. Here another chapter has been written in a quarter century of Canadian mining history, not only in mining but in metallurgy, for Flin Flon Mines presented difficulties for the economical treatment of its complex ore. It was not until 1927 that the decision was reached to establish what has become the British Empire's most northerly and Manitoba's largest metallurgical enterprise.

The fact that Flin Flon's discovery was 85 miles from the railway was a factor to be considered, but when large ore bodies are in evidence distance offers no barrier. The first step was to build a railway 85 miles from The Pas, Manitoba. Fifty-eight miles farther northwest it was necessary to develop a hydro-electric site to supply power for the new enterprise and thus one prospector's find has established a new mining community in what was previously bush and muskeg of no economic importance. Here, too, the development of this property meant more than the development of a mine. It meant the development of several mines, as transportation was afforded to the finds on other properties and with Flin Flon as the nucleus a new community is being forged and Canada's hinterland is being pushed further northward.

Sullivan Achievement

Not all of the mining achievements of the past twenty-five years were confined to Central Canada in the pre-Cambrian field for, while developments were under way in that area, the Cordilleran range of British Columbia was yielding up one of the greatest lead-zinc deposits that is known to the world—the Sullivan mine. The development of this property is an important link in the chain of mining events that have taken place in the Pacific coast province. Although the ore body was discovered in 1892, the complex ore defied economical treatment and brought financial ruin to more than one firm. It was not until 1910, when The Financial Post was three years old, that the Consolidated Mining & Smelting Co. became convinced that the ore was amenable to treatment and acquired full control of the property. In subsequent years the successful treatment of this ore was a triumph for Canadian mining and metallurgical engineers.

How important it has been to the economic welfare of Canada is shown by its producing approximately nine per cent of both the world's lead and zinc as well as important quantities of gold, in addition to being currently Canada's greatest silver producer. The story of the successful treatment of the Sullivan ore is not the final chapter in the development of this property, as after the concentrating of the ore was successfully accomplished by flotation, the refining of the lead and zinc presented further problems. The high degree of efficiency that has been reached in both the lead and zinc refining processes at the Trail plant of Consolidated Mining & Smelting is a direct outgrowth of the operation of the Sullivan mine. Unprecedentedly low prices for lead and zinc have caused most of the producers of these metals throughout the world to suspend operations, but the high degree of efficiency and the low cost of operations enable the Sullivan mine to operate to the exclusion of all other lead-zinc producers in the Dominion.

Coal in Abundance

For most of the past twenty-five years Canada's coal industry has held first place in the value of mineral output, but this position was yielded to gold in 1931, when Canada's gold output advanced 30 per cent over the preceding year. The coal reserves in Canada are estimated at approximately one-sixth of the world's total known supply. Every type of coal is in abundance with the exception of anthracite. In the presently inaccessible mountains of Alberta there exist huge deposits of what is regarded as the highest grade bituminous coal in the world, which must await transportation for development. Due to the geographical location of Canada's coal supply far from the most populous districts of the Dominion, utilization and development have been retarded. In the past twenty-five years, however, a peak of 75 per cent in advance of the 1907 production was made and currently the output is approximately 25 per cent in advance of that of twenty-five years ago.

Alberta ranks first among the coal-producing provinces of the Dominion, with the principal reserves being credited to that province. Distinct progress has been made in mining, grading and marketing methods.

Nova Scotia Has Coal

Nova Scotia's coal production, largely mined from under the sea, about equals the Alberta production, but due to geographical isolation from the large coal consumer centres of Canada full advantage has not accrued to the Nova Scotia mines, although they possess some of the world's thickest known coal seams.

A new development in the past quarter century has been the increasing use of lignite. In the Southern Saskatchewan field there exist enormous tonnages of lignite and a steadily broadening market is being found, as improved mining methods reduce costs and make it more competitive with other fuels.

Ontario, too, has its huge lignite fields in the Moose River basin, where the Ontario Government has conducted exploration and controls the leading deposits. Here, too, beneficiation and modern science are pointing to commercial utilization. Extensive tests have been conducted and systems of beneficiation developed that promise an important fuel development in immediately succeeding years to serve the requirements of Ontario's hinterland.

Newest Camp of All

The latest chapter to be written in Canadian mining history concerns a find of radium and silver ore, at Great Bear Lake, on the fringe of the Arctic circle. Here the most prominent showings of high grade radium ore outside of the Belgium Congo are reported. Spectacular showings of silver ore are also in evidence. Steps are already underway to establish Canada as a producer of radium. The interest that has been aroused has caused an influx of prospectors to explore this new area. The aggressive way in which development and exploration are being conducted on this new northern mining frontier confirms that distance is no barrier to mineral development when the ore is rich enough and of sufficient tonage.

Important as has been the finding of new mines and the increase in mineral production in the past twenty-five years, equally important is the progress that has been made to serve these new mining communities by the extension of railways, the construction of hydro-electric power plants and transmission lines and the building up of new communities to serve these mines. Whereas twenty-five years ago it was a tedious journey by canoe and mushing through muskeg and bush to reach what is now a mining area, it is only necessary now to board a pullman and enjoy all the comforts that this mode of transportation affords.

Distance No Barrier

The progress that has been made in the finding, equipping and developing of mines to the high rate of production that exists today has had its counterpart in the search for new mines. No longer is it necessary to travel days by canoe or dog team to reach the outposts of northern frontiers. Aeroplane transportation is organized to serve the remote areas with the comforts and speed provided between the urban centres.

Looking back over the past twenty-five years of mineral development in Canada and having regard for the transportation facilities now afforded and the knowledge at hand both as to geological features and metallurgical problems, there is reason to expect that the next twenty-five years will see an era of mineral development that will make the efforts of the past quarter century seem trivial by comparison.

Canals Carry Fewer People But More Goods

Canadian canals were much more active in the carrying of passengers twenty-five years ago than they are today. Records prepared by the Federal Government show that the number of passengers carried on Canadian canals in 1906 was 256,500. This figure reached a peak prior to the war and, although it was exceeded in 1916, the volume has steadily decreased, with the result that in 1931, only 126,633 persons availed themselves of this means of transportation.

Freight carried in canals is, however, 60 per cent greater than back in 1906, although here again there has been a decline from the peak load of pre-war days. Back in 1906 10,500,000 tons of shipping were carried over Canadian canals and in 1911, for instance, this had increased nearly fourfold to 38,000,000 tons. Total freight carried in 1931 was but 16,200,000 tons.

More Ships Ply Lakes, Canals, Rivers, Oceans

Development of Canadian shipping, both on the high seas and coastwise, has not been anything like as extensive as the development of other phases of industrial and commercial life in this country.

Sea-going shipping, back in 1906, totalled 16,800,000 tons and by 1931 had increased threefold to the new high peak of 54,600,000 tons. As was the case twenty-five years ago, this latter total was almost evenly divided between ships entered and cleared with the tonnage of ships entering slightly in excess of tonnage cleared.

Coastwise shipping twenty-five years ago, as it is today, formed the most important group, total tonnage in 1906 having amounted to 46,300,000 tons. The passing of 25 years has little more than doubled that, the 1931 returns showing a total tonnage of 94,675,000. This figure compares with the peak of 97,000,000 achieved in 1929. Division as between tonnage entered and cleared is almost equal.

A third grouping is shipping known as "inland international," which reached a volume of 17,900,000 tons back in 1906 and twenty-five years later had slightly more than doubled, amounting to 36,300,000 tons at the end of 1931. The peak for this movement was also in 1929 when tonnage of 39,000,000 was reported.

Bill for Education Shows Mighty Growth

Education statistics prepared for the twenty-five year period 1906-1931 inclusive show that enrollment twenty-five years ago was 1,173,000 and twenty-five years later had doubled, the corresponding figure being over 2,200,000. Average daily attendance which in 1906 was 744,000 had risen to 1,700,000 while the number of teachers increased from 32,000 to 70,000.

Total public expenditure on education rose in the period from $16,400,000 to $136,000,000.

Fire Companies Add Business by Billions

Fire insurance figures covering operations of federally licensed companies show that the amount of business at risk has increased between six and seven times in the last twenty-five years. Back in 1906 the amount at risk in federal companies was $1,444,000,000 while at the end of 1931 this had grown to $9,549,000,000.

It is interesting to note that in the same period premium income increased but little more than threefold, the figure of $14,688,000 having risen to but $50,616,000 at the end of 1931.

No figures are available for provincially licensed fire insurance prior to 1916, but by the end of 1931 business with these companies had amounted to $1,281,000 of insurance at risk and premium income of $6,849,000.

1832-1932

On the occasion of the Silver Anniversary of the founding of *The Financial Post* we desire to extend our felicitations to Col. J. B. Maclean and his associates.

The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE

THE BANK OF TORONTO
THE BANK OF TORONTO
75
YEARS

A Record of Stability

THE year in which The Bank of Toronto opened its doors, Ontario rode the crest of a boom. Over $60,000,000 was spent on railways and canals in the six years following 1850. Millions of dollars of invested British capital stimulated prosperity. United States markets were thrown open to produce of Canadian farms. Prices were high. Immigrants poured in . . .

In the middle of all this inflation, the founders of The Bank of Toronto built for safety, avoiding speculation, purchasing only the best bills, operating at low cost and building reserves—always seeking for stability. When the landslide came in 1857, when harvests failed and capital dried up, and other banks suffered losses, The Bank of Toronto emerged intact from this first depression.

This policy of safe, sound banking has characterized The Bank of Toronto for three quarters of a century. Today the Bank stands for stability and safety in every department of its efficient banking service.

• • •

You are invited to make use of the strength and service of this friendly bank.

1855 1932

THE BANK OF TORONTO
Established 1855

321

OVER 48 YEARS OF SOUND INSURANCE BUSINESS

ESTABLISHED 1884

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That 48 years of sound business practice has placed this Company high in public confidence, is clearly demonstrated by the record of its business achievement. During the past 10 years this Company's average annual increase of insurance in force has exceeded $3,000,000.

All policies, in every Province except Manitoba, are issued on a strictly non-assessable basis. Re-insurance is effected through Lloyd's of London. This Company operates under the Dominion Insurance Act, and is subject to annual government inspection.

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Trading of Canada Sees Vast Changes In Quarter Century

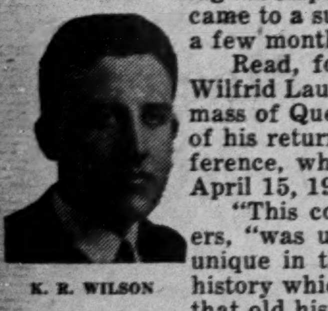
But Imperial Emphasis of 1907 Under Laurier Remains Keynote of Trade Policies of 1932 Under Bennett as Conferences Meet

MANUFACTURES GAIN IN EXPORT TOTALS

In 1907 Manufactured Products Represented But Small Proportion of Canada's Exports But Are Very Large Share of Our Commerce at Present Time

By KENNETH R. WILSON,
Business Editor, The Financial Post

To read the written story of the year 1907 as it concerns the trade of Canada is to paraphrase almost word for word the sentiments currently being voiced and written concerning the Imperial Conference of 1932 which came to a successful conclusion in Ottawa a few months ago.


K. R. WILSON

Read, for example, the words of Sir Wilfrid Laurier, uttered before a cheering mass of Quebec citizenry, on the occasion of his return from the first Imperial Conference, which was convened at London, April 15, 1907.

"This conference," he told his listeners, "was undoubtedly an historic event, unique in the world's history, a page of history which has not yet been written. In that old historic city of London we met as representatives of the governments of independent states forming a part of the British Empire, united to discuss matters of mutual interest. Such a spectacle has never been witnessed before."

Change the one word "London" to "Ottawa" and one can almost hear the voice of Rt. Hon. R. B. Bennett an exact quarter of a century later as he tells assembled statesmen and an unseen audience of millions of radio listeners that an exactly similar thing has happened at the Ottawa Imperial Conference 1932.

History of Economic Meets

Perhaps it is well to explain the reference to the first Imperial Conference being held in 1907. Those who know intimately the economic history of the British Empire will remember that the first meeting of Empire statesmen to discuss matters of common interest, was held in London during the Queen Victoria Jubilee celebration of 1887. It was called the British Colonial Conference and was merely an informal meeting for consultation among leading public men who happened to be in England at the Jubilee. The subjects discussed were non-political and in the main non-contentious. Then followed the Ottawa meeting of 1894—a Canadian extension of the original meeting in a more organized form with trade and tariffs as the central theme of discussion.

The next meeting was again a jubilee affair held in response to an invitation to Colonial Premiers to be present at the Diamond Jubilee and also to take part in "an informal discussion" of subjects of interest to the Empire. It was largely as a result of this meeting that Canada, a year later, introduced her "reciprocal" tariff, one-eighth lower than the general list and which a year later blossomed into a full British preference of 25 per cent (August 1, 1898) and was 33 1/3 per cent (July 1, 1900).

Laurier Originates Name

Another meeting took place in 1902 at the time of the coronation of King Edward VII and discussions were fuller and freer and the results more specific than had heretofore been the case. As a result it was decided that these hitherto informal meetings should be placed on a permanent basis and accordingly the conference of 1907 was suggested and planned and became a vital factor in the political situation of the day. It was at the suggestion of Sir Wilfred Laurier, made at the opening session of the meeting that the designation "Imperial Conference" was adopted.

To read the reports of this meeting of 25 years ago is to appreciate at once that the problems of Empire trade were identical in that day and generation, with those of today. Under the leadership of Sir Wilfred Laurier, the Empire delegates representing Australia, New Zealand, Cape Colony, Natal, Transvaal and Newfoundland, affirmed their belief in the principle of preferential trade between the United Kingdom "and His Majesty's domains beyond the seas." The only dissenting voice was the United Kingdom. The statement containing this belief and subscribed to by the colonies stated, in part, "that the Prime Ministers of the Colonies respectfully urge on His Majesty's Government the expediency of granting in the United Kingdom, preferential treatment to the products and manufactures of the Colonies, either by exemption from or reduction of duties now or hereafter imposed." Precisely the sentiment which finally found concrete expression in August, 1932, after a lapse of exactly a quarter of a century.

Trade Problems Identical

Then too, there is a highly familiar ring in the words of a report made as the result of a visit during the year from Richard Grigg, a special Commissioner of the British Board of Trade who spent from September, 1906, to May, 1907, making a most exhaustive analysis of commercial conditions and trade sentiment in the Dominion. He adjured British manufacturers to take advantage of the highly favorable sentiment which existed in Canada for British goods; urged more British companies to establish branch factories in the Dominion and the employment of more British capital in exploiting our resources. The summary of his recommendations is so pertinent to the present-day situation that we cannot resist the temptation to reprint it:

1. The promotion of rapid and cheap transit and communication between the United Kingdom and Canada.
2. The more careful study of Canadian conditions by British traders.
3. Improvements in the representation of British merchants and manufacturers in Canada.
4. Greater adaptability and exactness in meeting the wishes of Canadian buyers.
5. The adoption of Canadian standards, weights and measures and currency for specification and price quotations.
6. Better advertising and catalogues and cheaper postage rates.
7. More elasticity in terms of credit (rendered possible by fuller knowledge of local circumstances).
8. The establishment of a system of British commercial correspondents in Canada and the wider distribution of commercial and trade reports.

There is still another reason why 1907 was a landmark in the trading history of Canada. In that year an entirely new Canadian Customs Tariff was adopted containing three columns of duties, British preference, intermediate and general. It came into effect on April 12, 1907, three days before the first Imperial Conference met at London, and was in fact the keystone of our present tariff structure. It provided for the extension of benefits of the British preference in whole or part to any British country and also extended the benefits of the intermediate tariff in whole or part to any British or foreign country that granted trade benefits to Canada satisfactory to the Governor-in-Council. Prior to 1907, Canada had no bargaining machinery of this kind.

Trade Becomes International

Thus it was that from 1907 the trade returns of this country began to take on a more international flavor and whereas heretofore between 80 and 90 per cent of the total trade of the Dominion both inward and outward, had been with United Kingdom and United States, there now developed a good volume of business with France, Switzerland, British West Indies, Argentina, British Guiana and other countries which heretofore had done but little business with this country.

To analyze the changes in the nature of Canada's trade in the past quarter century is in itself an interesting study. To compare the actual figures, item by item, is a rather humbling experience, for the trade returns in 1907 cover the fiscal year ending June 30, and to use comparative figures for same period in 1932 brings one to the very lowest ebb in the exchange of merchandise on a dollar basis, which has been experienced in two decades. Thus total imports in the 1932 period were but $170,000,000 greater than the $346,000,000 total of 1907, while exports in 1931-32 on a dollar basis are less than twice those of the 1906-07 period.

New Developments Revealed

Comparison of the ten leading imports of 25 years ago with a similar list today reveals the social and economic changes which have taken place in the quarter century period. Coal which headed the 1907 list has now yielded first place to petroleum and its products, reflecting the growth of the automobile and modern highway transport in the quarter century. Woollen goods whch came second in 1907 have now dropped to eighth place—indicative of the growth of the Canadian textile industry in the intervening period. The actual dollars and cents volume of woollen goods imports has dropped in the 25-year period from $19,663,000 to $16,460,000.

Machinery was the third leading import in 1932, but is far down the list in the 1907 compilation. Perhaps in another 25 years it will again diminish in importance as the Dominion becomes sufficiently industrialized to manufacture the bulk of its own machinery. Fourth on the present day list is alcoholic beverages which we imported to the extent of over $20 million in the fiscal year ending June 30, 1932. In 25 years this item has increased more than five-fold, probably due for the most part to the closing out of the majority of Canadian distilleries as a result of war-time prohibition and subsequent limitations on sale and export. This item ranked about twentieth on the list of imports in 1907.

Other items in the list show little change, sugar, fruits, rolling mill products appear in both compilations, but lumber, hides and leather, and grain and its products, which appear in the 1907 list are missing in 1932. A notable addition in 1932 is imports of electrical appliances — another reflection of modern trend during the period.

Exports Show Similarity

As to exports, the two lists again show a striking similarity. Grain and its products head the list in both cases although it is notable that in spite of the fact that 1931-32 marked the lowest ebb of the grain trade in a decade or more, this item holds a considerably more dominating place in the export picture than was the case in 1907. Lumber ranked second among our 1907 exports and the 1932 picture shows this place to have been taken by another forest product—newsprint. Lumber itself comes third in the 1932 list and it is somewhat depressing to notice that the dollar value of lumber exports in 1932 is actually less than the corresponding figure of 1907. Another forest item comes fourth in the 1932 total, however, namely, woodpulp, so that the grand total for forest products makes a sizeable figure when all three items are grouped together.

An item from the 1907 list which is hard to look at, is "dairy products." Exports in that year totalled nearly $30,000,000 and ranked third. Today the same figure can hardly be found in our trade returns amounting in 1931-32 to less than $500,000. Animals (living) which ranked fourth on the list in 1907 is another item which has now disappeared.

Minerals appear prominently in both lists, the three commodities, gold, copper and silver having played an important part in our trade figures of 25 years ago. The major change in the 1932 picture is the substantial increase in copper exports and the substitution of nickel for silver.

An interesting commentary on the manner in which increasing industrialization has affected Canada's foreign trade is shown by comparison of trade figures analyzed according to the degree of manufacture. No strictly comparative figures are available but in the five-year period 1900-1905 only about 13 per cent of the exports of Canada were manufactured goods. By 1911-1915 this had increased to 22 per cent and in 1932, 24 per cent of our exports were semi-manufactured and 25.8 per cent fully-manufactured.

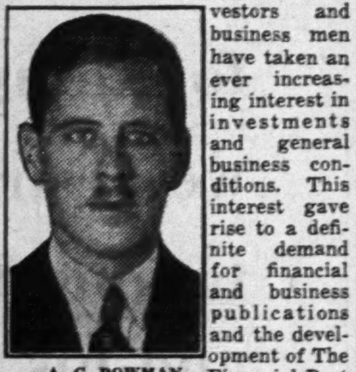
SUBSIDIARIES ADD TO SERVICE GIVEN BY POST

Group of Related Supplements and Publications Added

Many Needed Functions, Additional to That of Regular Weekly Issues, Are Performed

By A. C. BOWMAN,
Statistical Department, The Financial Post

The past 25 years have been notable as a period during which investors and business men have taken an ever increasing interest in investments and general business conditions. This interest gave rise to a definite demand for financial and business publications and the development of The Financial Post and its subsidiary publications has been closely linked with this demand. Since its inauguration in 1907 as "a weekly newspaper aiming to present to the public in a popular manner, accurate information relating to the financial interests and the legitimate investments of Canada," The Financial Post has constantly endeavored to serve the investor and the business man, by supplying reliable information to enable them to more clearly understand the position of securities and the problems of business in general.


A. C. BOWMAN

Thus, the earliest issues of The Financial Post had departments devoted to steel, textiles, milling, mining, pulp and paper, electric railways, transportation, real estate and mortgages, municipal bonds, money, banking and exchange, insurance, and in addition offered to answer subscribers inquiries with regard to investments. Year by year the services rendered by The Financial Post have grown and been enlarged in scope until today The Financial Post and its subsidiary publications cover the whole field of investment and business.

Review Supplement Issued

One of the first special services developed by The Financial Post was its Annual Review Number. This was commenced in 1908 and comprised a comprehensive review of business during 1907. These numbers were a regular feature until 1925 when the Business Year Book was published better to serve this field. From 1907 on there was an intensive development of the various regular departments of the paper, so that each year they provided a broader coverage and increased in value to the reader. As time went on The Post found itself in a position to supplement the service given by these departments. It was realized that a complete coverage, once a year, of the industries and fields represented by these departments would provide a composite picture that could not be obtained from the weekly reviews. The department on government and municipal bonds was the first to be improved in this way and, in 1915, a special supplement was issued giving a complete review of the financial position and bond issues of each province and municipality in Canada. The value of this special supplement was immediately recognized by investment institutions and each year since then The Financial Post has continued to give this service.

Further Supplements Added

The government and municipal supplement was but the first of the special supplements to be developed in order to provide an ever increasing service. In 1916, a special supplement was issued on trust and loan companies in which each company was reviewed and its financial position analyzed. This also was continued as an annual feature of the paper. In 1917, the annual supplements on insurance were commenced and have continued to be an ever increasing source of information on the development of insurance and insurance companies. In 1918, a special industrial supplement appeared reviewing industrial concerns and industry in general and providing a picture of the developments in that field during the preceding 12 months.

Break Up Industries

The annual industrial supplement, extensive as it was, did not permit The Financial Post to give the detailed information that it desired to give. The logical development of this service was not long in coming for, in 1919, a special supplement was commenced covering the pulp and paper industry. This segregation permitted a detailed covering of each pulp and paper company and of the industry itself and provided, in the one issue, an invaluable record of the development of the industry and the operations of the companies engaged in it. The annual pulp and paper number of The Financial Post has been a much valued service ever since.

Further specialization followed. In 1922, annual mining supplements were commenced and since that time additional supplements have been issued periodically to give investors a detailed picture of the various camps. In 1923, public utility companies were reviewed in a special supplement and annually since then The Financial Post has given this additional service so that a complete picture of the industry and the companies in that field would be readily available to its readers. In 1925, special supplements were commenced covering, in the same way, food and merchandising companies and textile companies. In 1926 steel and construction received the same treatment.

These features were, however, only a part of the services developed by The Financial Post in its endeavor to provide the financial and business publications for which there was an ever growing demand. The need arose for even more specialized development of certain departments and, as a result, what are known as the subsidiary publications were inaugurated.

Year Book Published

The first of such publications was The Financial Post Business Year Book, a natural development of the Annual Review Numbers which started in 1908. Volume 1 of the Business Year Book was issued in 1925 and presented a statistical record of Canada's development in trade, industry and finance. It gave in one volume a permanent record of markets, labor, prices, and Canada's growth during the preceding year. In the preparation of this book, which has been published annually since 1925, vast quantities of statistics are analyzed and hundreds of publications are referred to, in order to make available to business men, complete and comprehensive data on Canadian business. Its acceptance by business men is demonstrated by sales for 1931 which exceeded 6,000 copies.

Record of Prospectuses

In 1926, another unique service was inaugurated, viz., The Financial Post Record of Prospectuses. At this time the number of security issues being offered to the public was increasing rapidly and in the years that followed an even more rapid increase was experienced. The desirability of having a record of these new issues was recognized by investment institutions but the task of keeping in touch with issues, made throughout all Canada, presented difficulties. To meet this need The Financial Post Record of Prospectuses was inaugurated and provided for the first time a permanent record of the prospectuses of all Canadian companies making a public offering of securities. This publication is now a regular part of The Financial Post service to investment institutions and has been published semi-annually since 1926. Each edition reproduces the prospectuses issued during the period and, in addition, gives a record of government and municipal financial during the period.

Survey of Mines

The year 1916 saw the development of another special service to meet a definite need and supply in one volume complete information on the numerous mining companies engaged in the development of Canada's mineral resources. The first volume of The Financial Post Survey of Mines appeared in September, 1926, and presented the story, camp by camp and mine by mine. In publishing the Survey of Mines, The Financial Post pioneered the field and made available, at a price within the means of the individual investor, a volume covering the development and financial structure of each Canadian mining company. The Survey of Mines has been published annually since 1926, each edition presenting additional features. In 1928, over 8,000 investors purchased copies.

Survey of Corporate Securities

Following closely on the Survey of Mines a similar publication—The Financial Post Survey of Corporate Securities—was issued covering industrial, public utility, merchandising, commercial and real estate companies. The first volume appeared in the spring of 1927 and gave, for the first time, an extensive picture of the financial history and structure of the 1,000 Canadian companies in which the public held securities. The Survey of Corporate Securities was published to meet the very real need of the ordinary investor for a comprehensive security manual at a moderate price. Never before had a volume of its scope and size been offered to the public at a price within the reach of the ordinary investor. Its success was instantaneous. Since 1927 it has been published annually and has become a standard work of reference on Canadian securities. It has broken all circulation records for a publication of its type, over 16,000 copies of the 1929 issue being purchased by investors.

The Corporation Service

Subsequent to the issuance of The Survey of Mines and the Survey of Corporate Securities to serve the individual investor, at-

(Continued on page 32)

ROBERT SIMPSON DRY GOODS
1872

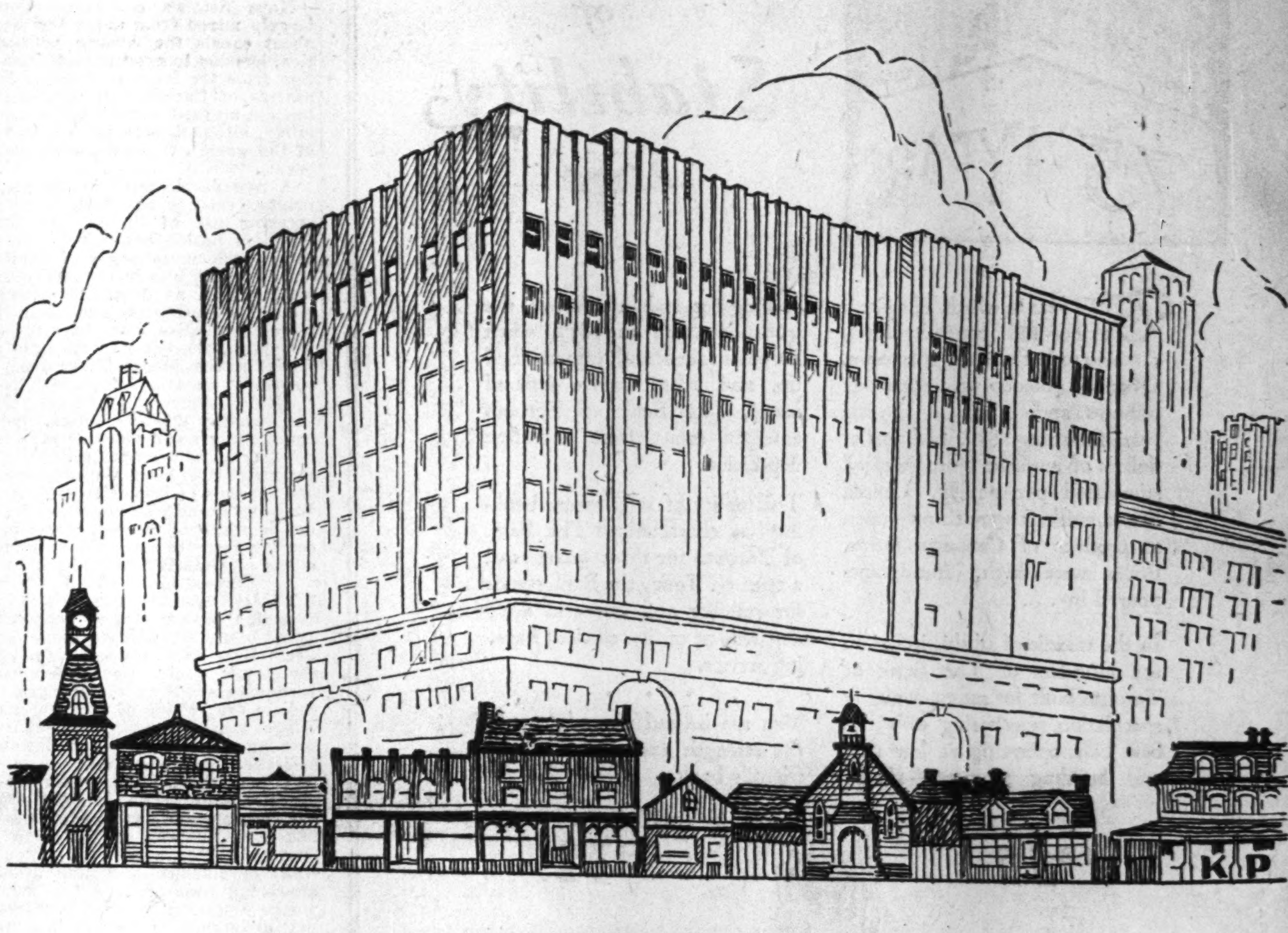
SIMPSONS
joins with
The Financial Post
in celebrating
an ANNIVERSARY

FOR SIXTY YEARS Simpsons has served Canadian homes with merchandise, has grown from a modest shop to a magnificent store, spreading in the form of great structures in Canadian cities until now, Simpsons is a household name from coast to coast.

Simpsons has achieved its growth naturally, from within, through good merchandise, good value, good service, and faces the future eager to maintain the traditions of quality and service that had their birth sixty years ago and which Simpsons' ever-increasing crowds of customers have come to know so well.

In this, the Diamond Jubilee year, Simpsons is happy to extend greetings and congratulations to The Financial Post on its 25th Anniversary.

1932



THE ROBERT SIMPSON COMPANY LIMITED

FOURTH SECTION

THE FINANCIAL POST

FOURTH SECTION

Vol. XXVI Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, NOVEMBER 5, 1932 10c a Copy; $5.00 a Year No. 45

Nation's Richest 25 Years Provide Ample Evidence of Fitness to Survive

People Who Met the Tests of Past Quarter Century of Full and Exciting Experience Will Find Way to Continue Under Full Steam

By FLOYD S. CHALMERS
Editor, The Financial Post

F. S. CHALMERS

An anniversary serves a useful purpose when it prompts a lesson-searching review of the years. Twenty-five years is not a long time in the life of either a nation or a people. But a twenty-fifth anniversary at this time is a particularly timely occasion for a review of the years, even of such a short span of years, because it finds Canada and the world in the midst of economic crisis. In times of economic crisis, as in times of exuberant inflation, there are few who pause to get their historical perspective right. Thus a twenty-five year survey of Canada provides an opportunity to weigh the net worth of our gains and losses; to judge whether or not we have advanced or receded in material or spiritual wealth; to judge also of our ability to hold and advance our place among the nations of the world.

There is a second reason why a cyclorama of the last twenty-five years must be of intense and vital interest. It is because the period has provided the most thrilling sequence of hair-raising and hair-greying economic experiences in our history. It is our habit to classify ourselves among the younger countries of the world, and to think ourselves as on the threshold only of our development. But a land that has been subjected to some measure of cultivation and extraction of its resources for nearly 400 years isn't in swaddling clothes and it has had ample opportunity to develop its national policies in relation to the world and to learn its economic lessons. But old as we are in a political, industrial and commercial sense the past twenty-five years have given us more material to write into our economic history than any previous period of twice or thrice the length. They have been, in more ways than one, our fullest, richest years.

Busy Quarter-Century

Since 1907 we have experienced our period of most rapid agricultural and town settlement, our period of greatest population growth, the war with all it meant to us, our period of greatest outward prosperity and development and our periods of sharpest deflation.

The world is experiencing now its No. 1 deflation of all time and with a panicky sensitiveness, born of a more rapid propagation of new notions, has turned in part to economic atheism which hasn't even the virtue of a frank agnosticism. But it will help us in Canada to maintain our own perspective if we realize that we are, on the whole, better off than we were in the great depressions of the 30's, the 50's and the 70's, of the last century, when there existed little of the material wealth and spiritual courage that are our greatest assets today.

Common Factor In Problems

Twenty-five years ago some of our chief problems of today were in the making and the nation, as a whole, did not see them developing. Others of our chief problems of today differ but little from those of that period.

Most of our other national problems are related to the single factor of population. The effort of attempting to create a great and prosperous nation out of several groups of people who have only their racial and political traditions as a common denominator and who have economic interests more diverse and complex than those that have kept the nations of Europe constantly at war with one another, is one that has been made before in this world, notably in the United States, but it has never before succeeded except where population growth provided the homogeneity of a nation largely self-supporting. Our population, after 400 years is yet small and it is strung out along such a lengthy frontier that we have been constantly forced to adopt the most amazingly paradoxical political and economic policies to keep the nation together.

The wonder is not that there is hearty and (on rare occasions) bitter conflict on tariffs, on religious education, on political forms but rather that such an integrated nation has been created at all from such a diverse group of segments.

Keeping Our Books

Most of our existing national problems are the products of attempts to maintain balance in the set of books where the accounts are kept for our various groups of citizens. When one area has fallen behind relatively we have attempted to redress the balance by taking from the haves to give to the have nots. Every successive government since Confederation has been put to it to keep the implied and written promises of the contract that prosperity should be evenly distributed throughout Canada.

Debts Make Us Vulnerable

In the process our governments and our private institutions have had to incur capital obligations of such size as to make us peculiarly vulnerable to the influence of economic disturbance throughout the world and particularly to that bête noir of capitalist civilization, the rise and fall of prices. A nation can keep on borrowing money for investment in expansive enterprises so long as the continuous process of price inflation, that some economists rightly or wrong declare has gone on down the ages, proceeds, or so long as nature rewards the laboring pioneer with new sources of extractive wealth. But when the debts contracted in the interest of national cohesion and development are heavy in terms of whatever currency is used to express them and the income from which the debts must be serviced is low in terms of the same more or less arbitrary units of value, then the burden is heavy and can be lightened only by a resumption of the inflationary process or by the slow and arduous process of deflation. The influences that have created this depression have not only upset the balance between Canada and the world but they have upset our nicely related set of national economic accounts and made necessary a review of all of the artificial processes we have used in the past to bring that balance about.

That is the kernel of most of our national problems in Canada but it is hardly to be denied that a vigor-

(Continued on page 28)

Vice-President

HORACE T. HUNTER

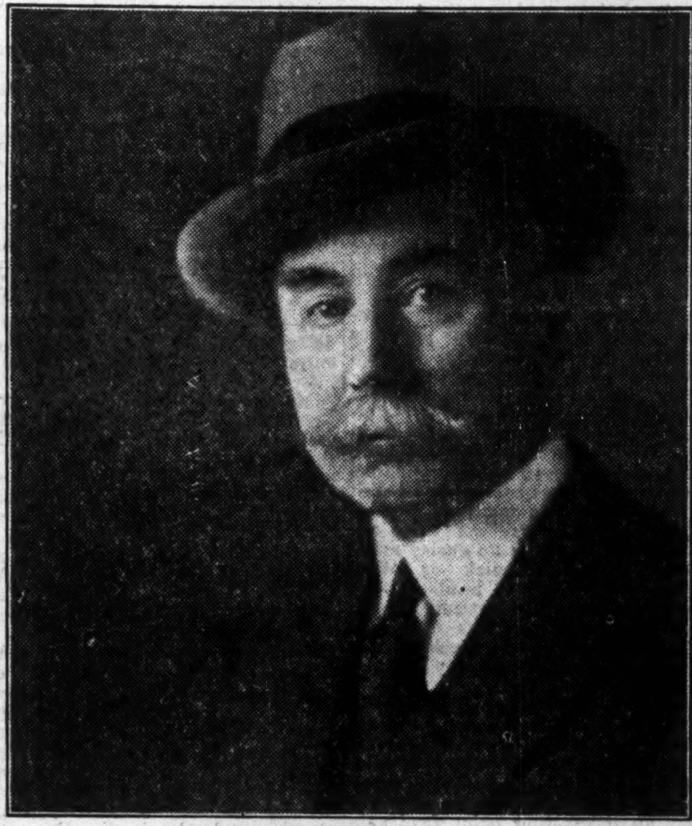
Vice-president of The MacLean Publishing Co. A restless seeker after business facts and an indefatigable traveller he has written for The Financial Post dispatches from China, Japan, the West Indies, London and Europe and has attended some of the important business conferences of Canada and the world, primarily as a business man but always as a "reporter" for The Financial Post and other MacLean business newspapers.

Why, When, How it Was Started: Early Years of The Financial Post

Veteran Publisher Tells How Original Policies Have Been Followed and Enlarged Through the Years

By J. B. MACLEAN

Founder and Publisher



LT.-COL. JOHN BAYNE MACLEAN

Who founded The Financial Post in 1907 and is still the publisher, is president of The MacLean Publishing Company, Limited, which publishes in addition to The Financial Post nearly 30 other magazines and newspapers of general, class and business circulation. Known from coast to coast and in the capitals of the world, intimate of the greatest men of this and the past generation, Col. Maclean is still a frequent contributor to the columns of The Post and has written for this issue a story of how it came into being: Three anniversaries of interest to Col. Maclean fall in this year: the 70th anniversary of his birthday; the fiftieth of his entering journalism as a reporter; and the twenty-fifth of The Post.

Elsewhere are printed the reasons for the founding of The Financial Post, statements by the first editor, the late Stewart Fielde Houston, M.A., and by myself as president.

They do not tell the whole story. The paper was actually established when it was, to make a place for Mr. Houston.

But let me hasten to add I was not doing him a favor. Quite the reverse. He was doing me and my readers a favor and Canadian business in general a very great service. In his untimely death from typhoid four years later, not only Canada but the Empire sustained a very serious loss; the loss of a great, sound, national leader.

Brilliant Young Canadian

He was one of the most brilliant and promising young Canadians whom it has ever been my good fortune to know. He was absolutely clean, straight and courageous in his thoughts and actions, and had a remarkable capacity for leadership. Perhaps what impressed me most was the confidence he inspired and the high respect in which so young a man was held by older men—by the leaders at the Bar, heads of banks and other financial and industrial institutions. He was trusted implicitly. It was not unusual for justices from the higher courts to visit our office or meet him at the club, seeking unbiased technical information on knotty business problems. This view was confirmed recently by C. S. MacInnes, K.C., who recalled the very high opinions frequently expressed of him by men like the late D'Alton McCarthy, K.C., and other leaders of the Bar, They were confident that he was destined to become one of Canada's greatest lawyers or trusted political leaders.

Son of Clergyman

He had unusual advantages in his birth and education. Records show that sons of clergymen have twenty-eight times more chances of success in life than those from any other homes. Stewart, born at the Rectory, Niagara Falls, was a son and grandson of distinguished Church of England clergymen. He had the further advantage of being educated at Trinity University.

We were first drawn together when he was a reporter on The Empire in Toronto and I the financial editor. We had much in common. Though he had such hosts of friends, it was not until after his death that I learned from his wife he had but two intimates, Scott Griffin, son-in-law of Sir William MacKenzie, and myself.

Became Tour Promoter

On graduating, he continued his newspaper work, studied law and was called to the Bar. But he was unfortunate in his legal alliances and from them he got no real inspiration and made no progress.

He married an old friend of mine, an able and cultured woman, Augusta Robinson, daughter of the former Lieutenant-Governor of Ontario. She was a talented singer, trained under some of the best masters in Europe, where she had made an enviable name for herself as well as in Canada. Probably through her inspiration he abandoned law and took the management of Massey Hall, our greatest concert hall, and brought over and directed tours of leading British artists and musical organizations.

Necessary Paper For Canada

The Financial Post was not for me just the starting of a new business. Such a paper had long been a necessity to complete the general news and other services for my then readers across Canada.

As assistant commercial editor of The Mail, I had great difficulty in getting space for important business and financial news. We were always in competition with other departments, like sports, the courts, shipping, society, the churches, etc. And we always had to cut down when murders or other important crime news broke.

Textbooks for Journalists

In this respect I am afraid there has not been any improvement—rather the reverse—as far as many metropolitan papers are concerned. But, thank God, the great mass of dailies and weeklies in Canada are clean and steadily improving their services and giving clean leadership to the upbuilding of our people and country.

Scant Space to Canada

It is a sad commentary to find that many professors of journalism in the universities of this continent enthusiastically approve of and commend to their students as a most inspiring text-book "Behind the Headlines" by a former member of my editorial staff, Vernon McKenzie, now Dean of the School of Journalism, University of Washington. Fourteen of the world's most enterprising journalists, some of them Pulitzer prize-winners, tell of their greatest achievements. They are stories of clever reportorial work and are very interesting. But it is depressing to realize that not one of the bits of work thus held up as a model for young reporters to follow is constructive or helpful to readers as leading up to good, clean, useful citizenship, to the developing of industry and employment. On the other hand, nine chapters deal with crime, murder, immoralities, and human weaknesses. The tenth story, held up as

Stewart F. Houston, First Editor, Was Vital Force That Made for Paper's Success from Start

a model was obtained by key-hole listening methods.

On the commercial page precedence was always given to the New York stock markets, which were covered by my chief. Much less space was given to Canadian securities. I covered grain, livestock, produce and provisions and foodstuffs generally each day. Once a week I was allowed, in theory, space for news of developments in the scores of other industries. But in practice it meant I was limited to a list of prices and current changes at which wholesale merchants sold to retail stores.

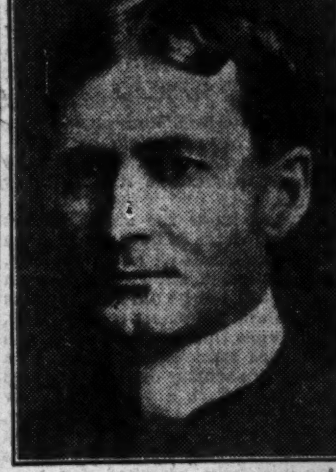
This work was not as routine and mechanical as the uninitiated may think. For a painstaking, conscientious worker it was the livest job on the paper. Such a man was always out on the "no-man's land" of conflicting business interests—producers, buyers, sellers — each of whom was constantly trying to induce the editor to misrepresent the facts to suit his selfish interests and immediate profits. Thousands of dollars in daily transactions and market movements are dependent upon the editor's figures and statements. He is abused, framed up, threatened and boycotted when he refuses to play the game of those who would manipulate markets. There was not much manipulation of stock markets in those days. Hudson Bay Co. and northwest real estate companies were about the limit.

"All Men Are Liars"

About the only advice my chief on The Mail ever gave me was to get the news if I could, but to "remember that all men are liars." This was perhaps over 90 per cent true in business where current prices were involved. But a good editor can build about him the 10 per cent who will not mislead him under any circumstances, and eventually he can put enough fear into the others

(Continued on page 28)

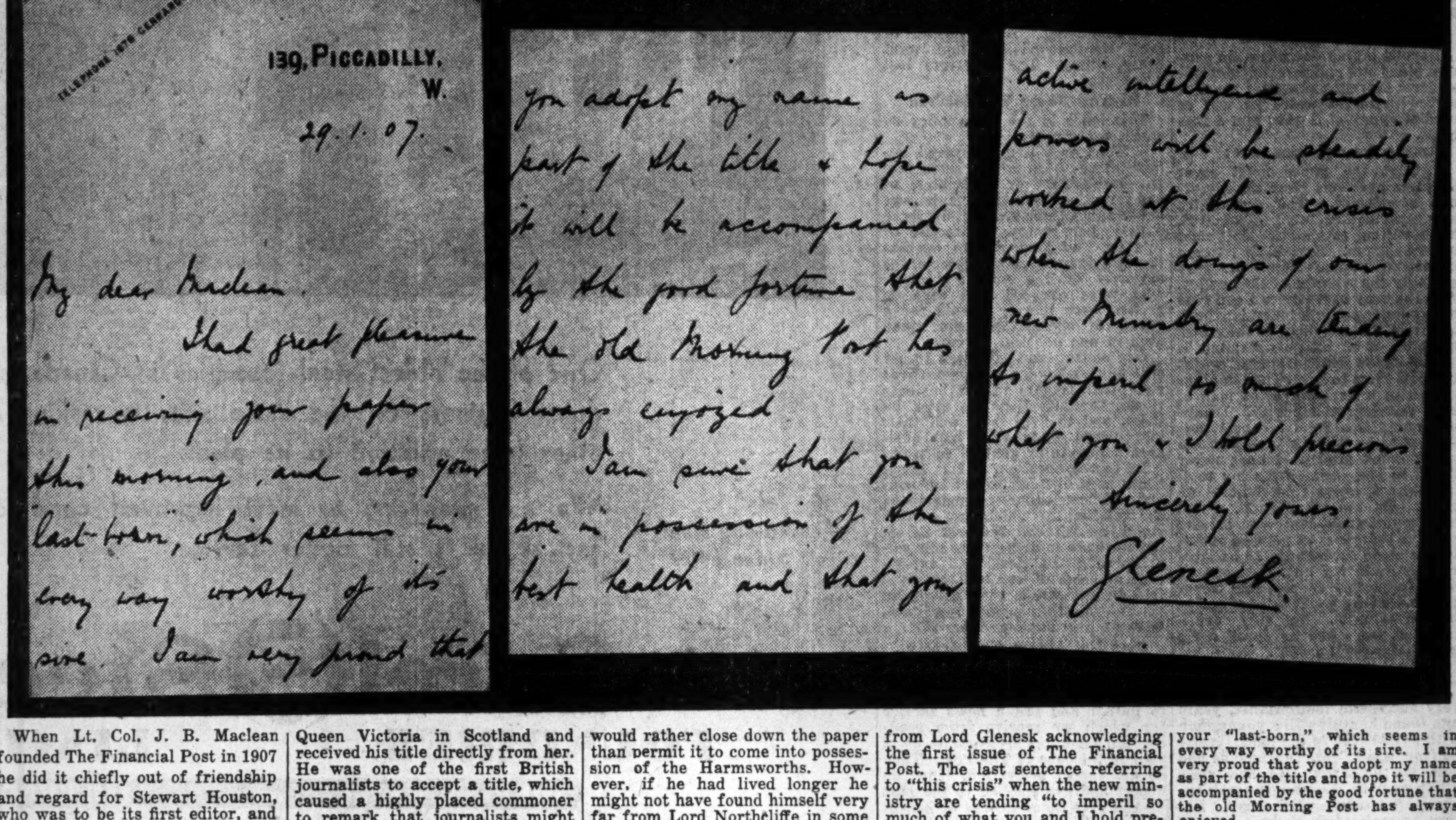
First Editor



STEWART HOUSTON

First editor of The Financial Post and the man who established its chief policies and traditions. He was fearless, honest and friendly and won the respect of the business giants of his day by defying them when he thought they were wrong.

How The Financial Post Got its Name



TELEPHONE [illegible] GERRARD

139, PICCADILLY,
W.

29.1.07.

My dear Maclean.

I had great pleasure in receiving your paper this morning, and also your "last-born", which seems in every way worthy of its sire. I am very proud that you adopt my name as part of the title & hope it will be accompanied by the good fortune that the old Morning Post has always enjoyed.

I am sure that you are in possession of the best health and that your active intelligence and powers will be steadily worked at this crisis when the doings of our new Ministry are tending to imperil so much of what you & I hold precious.

Sincerely yours,
Glenesk.

When Lt. Col. J. B. Maclean founded The Financial Post in 1907 he did it chiefly out of friendship and regard for Stewart Houston, who was to be its first editor, and he named it after The Morning Post, of London, England, in token of his affection for the proprietor of The Post, Lord Glenesk, and admiration for The Morning Post then, as now, a very fine, clean newspaper.

Lord Glenesk was a neighbor of Queen Victoria in Scotland and received his title directly from her. He was one of the first British journalists to accept a title, which caused a highly placed commoner to remark that journalists might now hope to take their place in the social registers with the beer lords.

Lord Glenesk entertained a violent dislike for the Harmsworths and when his son, whom he had trained to succeed him, died at an untimely age, the father was bitterly disappointed and remarked that he would rather close down the paper than permit it to come into possession of the Harmsworths. However, if he had lived longer he might not have found himself very far from Lord Northcliffe in some of his policies at least.

The Morning Post is the strongest supporter of Imperial economic unity in the Old Land today, its policies in that respect not varying greatly from the Canadian journal that borrowed its name.

Above is shown a letter received from Lord Glenesk acknowledging the first issue of The Financial Post. The last sentence referring to "this crisis" when the new ministry are tending "to imperil so much of what you and I hold precious" refers to Lord Glenesk's Imperial views. He felt that the government of 1907 was lacking in an Empire viewpoint.

The letter reads as follows:

My dear Maclean,

I had great pleasure in receiving your paper this morning, and also your "last-born," which seems in every way worthy of its sire. I am very proud that you adopt my name as part of the title and hope it will be accompanied by the good fortune that the old Morning Post has always enjoyed.

I am sure that you are in possession of the best health and that your active intelligence and powers will be steadily worked at this crisis when the doings of our new Ministry are tending to imperil so much of what you and I hold precious.

Sincerely yours,
GLENESK.

Needs of Average Man Investing His Savings Paramount Concern

In First Issue Publisher and Editor of Newly Launched Journal Set Forth Objectives So Well They Have Never Changed

PROMISED FIGHT AGAINST STOCK CROOKS

A popular and non-technical financial journal; that is what the publishers of The Financial Post promised when this paper came into existence in 1907. The paper undertook to be accurate and above all readable.

In the first issue the publisher, Lt.-Col. John Bayne Maclean, set forth his own ideas as to the services that a financial newspaper of such a character could perform in Canada. At the same time, Stewart Houston, the first editor, outlined the policy that would be pursued.

The original announcements of Col. Maclean and Mr. Houston are here set down in parallel columns:

WHY WE ARE HERE

The Demand For a Popular Newspaper Giving all the News

The Lines On Which It Will Be Conducted

By The President

"There is a vast amount of news affecting the various Canadian investments, which actual holders and would-be buyers of these securities—and there are many thousands of them—would like to read. As few people have time to peruse more than one or two papers they miss much of importance appearing in those they do not read. Some have endeavoured to meet this by placing an order with a Press Clipping Bureau which reads all the Canadian and the leading British and the United States newspapers. But this is costly and a lot of important matter must be read and revised before finding passages or clippings of vital importance.

"For a long time I have seen the necessity for a weekly newspaper that would sort out the important and reliable information thus available on each of the legitimate investments of Canada, and present it in a manner readily understood and easily perused by the general reader; a paper that would not only give the news thus obtained, but add to it by special inquiries through expert writers from the best authoritative sources. These thoughts developed other ideas and eventually I decided upon the establishment of a paper that would not encroach on the field of old established weekly commercial and financial journals, of which there are several excellent ones in Canada.

"For the production of such a newspaper, I believe I have a system and a plant which are not merely adequate but are capable of producing excellent results. To secure the editorial co-operation which was absolutely essential, was a more difficult matter. I recalled, however, that when I was commercial editor of the Toronto Empire, there was a very well-equipped writer on the staff of that paper, who had been found equal to nearly every editorial capacity in a daily newspaper. Subsequently I had noticed in a Toronto daily occasional articles on financial subjects which were distinctive. They were informing as well as readable. They were not so much concerned with the information that can be gathered from the daily stock reports, but had the merit of going to the root of matters and presenting admirable analyses of investments. I ascertained who the writer was, and found him to be the gentleman with whom I had been associated on the Empire. I engaged him to write a weekly financial article for one of my papers. I considered them the most interesting of the kind, that had been, up to that time, published in Canada, and regretted very greatly when other duties prevented their continuance. The writer in question is now managing editor of this publication. He has been a student of financial affairs for a number of years, and has further applied his observation and knowledge in an advantageous manner.

"For correspondents The Financial Post has secured men of authority and knowledge, at important points in Canada. In the hands of the editor and his associates, I believe the editorial future of this paper is assured.

"The Financial Post will not touch the technical side of financial journalism, but aims to publish a popular newspaper in its purest sense, with a wide circulation here and abroad, giving news for the masses, for the young employee saving a few dollars a week, as well as for the millionaire capitalist, presenting all the information obtainable in regard to Canadian investments; offering each week one or more anaytical articles devoted to prominent Canadian Companies; and producing and reproducing readable and informing articles from other sources on matters of general interest to the money-saver and investor.

"Mr. Houston will have the direction of the paper, but the publishing and development of circulation will be handled by the MacLean Publishing Co.'s organization. This Company was established about 20 years ago. It is now the largest newspaper publishing concern in Canada, has its own offices and staff in Toronto, Montreal, Winnipeg and London, England, with special agents in leading centres in Canada, Europe and the United States. It owns the Canadian Grocer, Dry Goods Review, Hardware and Metal, Canadian Machinery and Manufacturing News, The Busy Man's Magazine, and a number of other similar publications; it also controls a number of provincial dailies and weeklies—twenty-one in all. Recently it has begun the publication of scientific and technical books.

"This is the organization that will be turned on The Financial Post, and which will ensure for it from its inception, a good circulation in Canada and abroad."

JOHN BAYNE MACLEAN

By The Editor

"A search through the files of the London Times for the first twenty-five years of the last century reveals the fact that no article or paragraph has Canada for its subject. British North America, strange to add, is not mentioned even in the stirring days of 1812-14, when a mention would have been thought unavoidable. Very recently, the London Times stated that the most significant fact in the annals of the Empire today was the expansion of Canada. It has now daily reports of transactions on the Canadian stock exchanges. Canadian securities are features of importance on the London Stock Exchange; Canadian Pacifics and Hudson Bays have been for months the most prominent stocks quoted.

"The great growth of this country in the past few years, the rapid development of our natural resources, the almost world-wide realization of the field offered in the Dominion for sound investments, easily indicate that the time is ripe for a weekly financial newspaper.

"It is proposed to publish a paper which will endeavour in an accurate, but readable manner, to inform the public in regard to Canadian securities, Canadian investments and Canadian financial institutions. Financial writers are prone to make their productions uninteresting to the general reader. Their articles are usually intended for the expert, or the statistician, yet finance has most interesting and engrossing phases. It has its romances and its myths. These latter the public are sometimes even led to believe, constitute what are known as the elements of high finance. To show, however, that finance is not necessarily composed of these ingredients, to expound the merits of well-founded securities and not omit the myths, can be made agreeable for every reader. These features of the financial world can be presented with accuracy and readability.

"It may be said that the financial columns of the daily newspapers give a full and complete record. The difficulty, however, is that most material for a daily newspaper must oft times be hastily prepared, and therefore loses in accuracy. It is also unavoidably the custom of daily papers to accept advertising from all sources, and without exercising a supervision of the reliability of the statements, or the good faith of the advertisers. Particularly is this the case with financial flotations.

"The Financial Post will not hesitate to point out the defects and deceptions of any financial undertaking designed to impose on the public. With the gaze of investors in other countries now turned to Canada, its railways, its farm lands, its manufacturing and its mines, the opportunities are numerous for the financial sharper and the dishonest promoter. We know of Cobalt mining claims, not mines, the stock of which is being peddled out in American cities on a basis of hundreds of thousands of dollars, and in two cases that have come to personal notice, no mineral in place has been discovered and all the claims possess is a working permit to discover.

"Recently the Liverpool Daily Post pointed out that Canadians themselves should devise means by which the reputable undertakings among them could be distinguished from the disreputable. Such a course, it is said, would confer an immense benefit upon British investors and faciliate the introduction of the capital and experience essential to the development of the country. In this relation the Financial Post, which aims at an extensive circulation in Great Britain, proposes to furnish every assistance possible.

"One page will be devoted to the interests of banking. By this is meant not merely the banks, but the bankers, whether they be directors, managers clerks or customers. The depositors will be encouraged by special articles on money-saving contributed from various sources.

"This paper begins under auspicious circumstances, in the fact that it has behind it a well-tried publishing organization, whose reputation is sufficient guarantee that the publication will be conducted on honorable lines and with business-like methods.

"The trouble with most new enterprises of this nature, is that the struggle for existence in their earlier days become a drag and a worriment to all concerned. Such a situation cannot arise with the Financial Post, which will make every endeavour to carry out the lines upon which it is founded, in the hope that it may become, not merely a successful undertaking, but one which will contribute its share to the proper exploitation and development of this country's securities and the resources these represent."

STEWART HOUSTON

WHY, WHEN, HOW POST WAS STARTED PAPER'S CHIEF TELLS

(Continued from page 27)

who are worth while bothering with that they will hesitate to mislead him.

Recalling my associations of nearly fifty years, it is a remarkable fact that the men who were eventually successful, who came to the top in a big way, were the 10 per cent who were always reliable — men who never misled me. Outstanding among and typical of these and living today is J. W. Flavelle, now the great public-spirited Sir Joseph, Bart.—perhaps my oldest and dearest friend in spite of the fact that we occasionally disagree on what should and what should not be printed. Another is C. W. Band, of grain and milling fame, director of many corporations. The business policies of each came under severe criticism at different times in which The Post staff was disposed to join, but fortunately consulted me first. I said "No, stand by them. They may have made errors in judgment, but I trust them to the limit." Developments show we were always right.

Never Misled The Post

The late James Carruthers, Montreal, was another. In his later years he was induced to accept the presidency of the Canada Steamships Co., one of our most important advertising clients. The Financial Post carried an article pointing out that conditions were not just right in the corporation, that the interests of our readers, the Canada Steamships shareholders, were being jeopardized. Many of the directors were my friends, who saw me and gave me assurances that nothing whatever was wrong and the hints in The Post were absolutely false. It looked as if my editors had been misled. However, I saw Mr. Carruthers. He told me that there was crookedness and grafting on the part of highly placed directors. I did not ask him for proofs or details. His answer was all I needed. He was one of the 10 per cent who over years had never misled me. I told the editors to go to it, and eventually they exposed one of the most extensive bits of looting of shareholders by insiders. The looters were, of course, driven out and the company reorganized. But that was not all. We traced them into another great corporation. I cannot recall that we found anything wrong with their new associations, but their records were against them. They were never again to be trusted. We fought them until they were eventually eliminated. But they have many successors. Looting of successful businesses, or of investors, has now become a regular occupation of groups of men in high places, socially, politically and financially.

Demand Grows for News

While the daily newspapers were steadily improving and extending their good work, in fact, giving a splendid service to their readers, the demand grew stronger and stronger for business, technical and class news. Canada was developing rapidly and as our commerce and industry grew there was a strong demand for newspapers in what might be called the key industries—more extended news covering, primarily, price movements of basic and manufactured products—agricultural, commercial and technical newspapers. The demand was partially supplied from England and the United States, but none of these covered Canadian news and problems. I left The Mail to establish and develop a group of key papers in the foodstuffs, metals, hardware, textiles, publishing and other fields.

Splitting Up the Papers

But strange to say, the call for still more specialized news did not stop. For example, my second paper covered the metal industry—from top to bottom—but primarily the problems and market movements for merchants, wholesale and retail. Back of them and closely allied were the great fields of manufacturing, machinery, tools, power, heating, sanitation, construction, etc. They were practically all subscribers, from the big steel industry down to the hardware store at the country crossroads. It was the only paper in the industry. These are still our subscribers and practically all their trade is done through the retail merchants. But the great mass of subscribers, the merchants, were not interested in the production problems in the machinery, power, construction and other industries. We could not afford the space to give these the special news they demanded, and eventually took these features out of Hardware and Metal and established Canadian Machinery, Power House, etc., to deal with their individual news, technical and other problems at greater length.

How Businesses Are Built

But in each field there were bigger problems common to all which were national and international—mainly those that affected the investments and profits.

With few exceptions, every successful business, every big business in Canada was founded by an intelligent employee who worked overtime, married well, economized, lived within his income and banked his surplus. With those savings—perhaps only a few hundreds—he embarked in business. He continued this sound policy of saving. Profits were not drawn but were reinvested to develop and extend. Eventually, we had young Canadians with businesses giving steady employment to not only scores but hundreds of employees, with capital investments all their own of not a few thousands but hundreds of thousands and millions. For example, the great Eaton and Simpson businesses began that way. So did that of the late Hon. P. C. Larkin. He was earning over $1,000,000 a year profit and giving, in Salada, better tea for less money than had ever been given before. Going further back, we have the Molsons in Montreal, the Prices in Quebec, the Gooderhams in Toronto, the Southams across Canada.

Savings Are Still There

This is what is going on today. It is these savings that make up the hundreds of millions of deposit in the Canadian banks and which form the surpluses in the life insurance, loan, trust and other similar corporations. It is not, as is popularly supposed, the millionaires' money. It is the millionaires and the unemployed who are hard up today. It is the hundreds of thousands of middle-class business men, employees, farmers, professional classes and others who saved and who own the immense money surpluses. It is these savings of the great middle classes that will come back, set things going, give employment, the moment they are sure of fair prices and services, which they are not yet getting from the trusts and combinations, whether directed by high finance or trade union leaders.

It is the accumulated small savings of the middle classes that the assurance, and other corporations are putting into the present loan.

There are hundreds of Eatons, Larkins, Molsons, Gooderhams now in the making. I know of many opportunities I could go into today and in ten years have a greater income than I have ever drawn from my newspapers. Sir Joseph Flavelle could return to the packing industry—regain the market lost since his retirement and in less than ten years be a multi-millionaire. But more important still, he would have brought scores of millions to the pockets of the farmer and worker.

I know of one minor farm product struggling under the direction of well meaning co-operative theorists that a Larkin could do as well with as his tea.

What Affects Profits

These individual savings, which are commonly called investments, and the profits thereon are the greatest problem common to everyone engaged directly or indirectly in business. They are affected, first, by happenings in their particular field of endeavor in Canada and internationally; second, by local, national and international developments, mainly through political management or mismanagement. Above all they affect employment.

The absolute necessity for a business paper to serve these interests, on which the whole prosperity of the people of Canada depended — to serve them conscientiously, fearlessly and intelligently, was urgent. To give them reliable news, to interpret it wisely and to fight courageously in their interests, provided, of course, they were sound. It called for a big man. I had several such men in training on my various business papers, but none were yet ready for the work. It was then Mr. Houston came into the picture.

His Varied Background

In the summer of 1906 we spent a week-end with the Houstons at their country place on Lake Simcoe. The show business was prospering, but it entailed constant travelling and they were beginning to tire of it. They were blessed with a charming home attraction, a daughter—Stewart, Jr. One of his successful sideshows at that time he had set up in far-off Australia with a staff trained in and sent from Toronto. In journalism he had made a real success as sporting editor of The Empire. Someone was trying to unload The Canadian Sportsman. He had an option on it and had decided to buy and make that his life work, abandoning the show business. They wanted my reactions to the idea.

Partnership Discussed

We all went into it from every angle. He was very enthusiastic; I the reverse. Finally, the inspiration came to me that here was just the man to edit and make a success of the national business newspaper. It needed, primarily, high character, ability and leadership. He was blessed with a greater measure of all three than any other man I knew. He protested, first, his inability to edit successfully such a paper, and, second, his lack of the capital necessary to establish it. I replied that I was confident he had the ability as well as good experience on which to build; that I had editorial staffs who had a good general knowledge of nearly all business in Canada, who would co-operate with and assist him; that I would establish such a paper with him as editor or that I would go into partnership with him on his own terms, feeling that I would be absolutely safe in financing and helping to direct such a paper until it became self-supporting.

How Name Was Chosen

The scheme was discussed back and forth in our visits to each other's homes in the next two or three months and finally it was settled, he to become editor and manager on a salary in the meantime.

Then came the question of the name. Years before I had decided that when I started the paper of that type I would name it after "The Morning Post," owned by the late Lord Glenesk, who had been a very dear and cordial friend of mine. He always took a delight in posting me on British political, newspaper and social life, and I had a very great admiration for his high ideals and his newspaper policies. I sent him a copy of the first issue and reproduce his kind acknowledgment. It is interesting to note the last paragraph, where he refers to the doings of the new government "as tending to imperil so much of what you and I hold precious." The words might apply today.

Handmaiden of Industry

I never quite liked the prefix "Financial" in the title The Financial Post," but it came nearer than any other word in explaining the paper's objectives. Perhaps the word "business," which covers agriculture, commerce and industry, would more accurately represent what I had in mind. Finance, after all, is merely a department of commerce, too often manipulated by groups of clever-witted, unscrupulous men to the great disadvantage of those who create it with their savings.

Stewart knew the stock market and investments as they were known to the bankers and stock brokers, that is, a good knowledge of each investment; but he did not know, as bankers and financiers do not know, the changes that are constantly and sometimes suddenly occurring in a particular security or field, changes that may affect a security a few months or even a few years later, sometimes wipe it out. I have seen this happen many times and we have been viciously attacked for publishing such advance information. Only the editors of the business papers in these particular fields are in such close and intimate touch, and I am sorry to say many of them do not themselves grasp the significance of these changes as they affect the investor in these fields. Even before the paper was issued, Stewart attended conferences with the editorial staffs of my various papers and quickly picked a general knowledge of the direct problems, local and national, political and otherwise, and sensed that the news behind the news was the news of prime importance.

Policies Laid Down

Beyond laying down certain general plans and policies, which differed from current newspaper practice and with all of which he was in cordial approval, I gave him a free hand.

Among these policies were:

1. That the paper must cover business problems from the investor's standpoint. The speculative side must be absolutely eliminated. Such a thing as a stock "tip" must never be given. My quarter century experience since confirms very strongly the wisdom of that policy. And the very best advice I can give my younger readers today is: First, to invest their savings in their own business, if at all possible; but if not, in endowment insurance, which compels them to save. Then in other securities under control of men of high standing and ability. I have had many tips from the best possible sources, always giving promise of quick profits. I have never failed to lose—sometimes my total investment, every time I acted on them. On the other hand, where ordinary common-sense was used in selected securities as advised above, I have made thousands—to be later reinvested in my own business. I have frequently doubled and sometime more than quadrupled my original investment. But only over a term of years and never on a tip promising quick profits.

One Man's Experience

One of my American friends, a very successful industrialist, years ago found himself still a young man with $32,000,000 in the bank received from a syndicate to which he had sold his business. He had close alliances with the leading stock exchange operators of the day. Before he realized it, he had dropped $28,000,000 operating on tips. He then pulled himself together, put his remaining $4,000,000 into the business he knew and in a few years recovered his losses and had built an industry in which his interest was worth well over $150,000,000 when I last gossiped with him some seven years ago employing thousands at good wages.

No New York Quotations

2. The next policy laid down was that, as there was so much live news on Canadian securities and problems for which we would not have sufficient space, the New York stock quotations and news of United States stocks must be eliminated entirely. This was such a radical move that he came back at me from time to time with arguments against it, and so unpopular was it in stock exchange circles that it took me some years to establish it as a principle.

Playing Square With Readers

3. It was the custom in those days, and still is, for financial interests to insert and pay for lengthy reports of their annual meetings. These were always accompanied by most laudatory stories for publication on the editorial page. One of our first acts was to refuse to publish these laudatory notices unless they were marked "Advertisement." Stewart was to write his own comments. This raised a storm. If we would not publish what they wanted us to say about their reports, then we could not have the advertising. The fight over this continued for years, but we have adhered to our policy. Such notices may appeal to official vanities, but generally they disgust intelligent readers and cause them to despise newspapers that insert them.

Collecting for News

We have found in several instances that unscrupulous publicity agents have taken our comments, with which they had nothing whatever to do, and collected payment for them from their clients, claiming that they had secured and paid for their insertion. This went on in the case of one of the big banks for several years before we learned of it. Laws are made to protect the "poor suckers," as they are called, but there is no easier mark for the get-rich-quick or other schemer than many heads of our big corporations, particularly the financial. The amounts they pay in polite or other blackmail is appalling, and it is usually charged to advertising.

One Review Bank Liked

Mr. Houston's reviews were always interesting; sometimes critical but always fair. On one occasion, in his review of the Bank of Nova Scotia's report he brought out an interesting point favorable to the Bank, but its importance was not until then recognized. The then general manager, the late H. C. McLeod, regarded it as a very profitable suggestion for the bank to adopt. He came to the office very enthusiastic, told Stewart so, and wanted to pay us a fee for it. He asked if $2,000 would be fair. He was very sincere in his appreciation and thought of this as a way of expressing it. Of course Mr. Houston explained that what he had written was part of our regular work—part of our service to our readers and Canadian business as a whole for which they paid an annual subscription. A few days later Mr. McLeod came back with lists of names and addresses and gave us instructions to have The Financial Post sent to the homes of his senior officials and to all branches of the bank which were not then regular subscribers. He was far-seeing and not always in accord with his fellow bankers, particularly in their attitude toward the public. Developments proved him right. Today Bank of Nova Scotia shares are the highest on the market.

Story of $5,000 Cheque

Of quite a different character, however, was another proposed gift. I looked in at Mr. Houston's room one day as I was passing. He took up a letter he was just sending to a mutual friend of ours in Montreal, a broker-promoter. This man had written thanking him for the favorable comments of The Post on a very successful flotation which had just been put out; that in consequence it had not been necessary to spend the appropriation made for advertising, and hence he was enclosing a cheque for $5,000. Stewart regarded it, and I agreed with him, as a distinct attempt to buy future favors and as a gross impertinence. All the money in the world could not buy his support for an unworthy investment. Not many months later our friend came along with another flotation on which he wanted friendly support. Not then nor ever again in Stewart's time, nor I hope since, have we felt any confidence in anything with which this man was associated. As a matter of fact, the second flotation went badly wrong. The investors lost every cent.

Distrust Those Who Mislead

This leads to the next policy on which we agreed:

5. That once a man proved unfaithful to those who trusted him as shareholders or associates, or had intentionally misled us, he was never again to be trusted. In these days it has become a practice of this type of financier to operate through dummies. For example, the majority of the mining brokers who were exposed and sent to prison, were merely agents for a group of speculators who stand high in one political party.

Our policy was to find the 10 per cent of reliable and able executives and other leaders in the business world, to trust them, to stick by them, and to help them and their institutions when they had business accidents or general setbacks.

In this connection, it has many times been difficult to get business and political leaders to understand the relation in which our editors stand toward their readers. So often we have to disagree in our columns with the views and experience of some of our best personal friends, even when they have been careful, as they sometimes have, to explain in advance their side.

Can Not Always Be Friendly

Primarily, the business of a newspaper, and particularly specialized newspapers such as ours, is to gather and sell a news service for which we receive from readers an annual subscription—$5 a year in the case of The Post. They do not expect perfection. They do expect and are entitled to the best we can give them by way of honest service. There have been many times when we would help our friends by omitting news or advocating policies in their interests, but could do so if they were not in interests of our subscribers generally. It is difficult to get the former to understand that to do so would be a betrayal of trust on our part. In a way, we occupy something the same position as the professional man toward his clients.

Since the above was dictated a case has arisen on another of our papers involving a leading bank, one of the largest commercial institutions, and a large manufacturer on one side and about 4,000 of our merchant readers across Canada, on the other. The first group have put terrific pressure on me personally. But their business policy was absolutely unsound. I stood by our merchandising editor.

When Views Conflict

Another policy which some of our friends in big business find it difficult to understand is the conflicting views expressed and advocated in two or more of our papers at the same time. The explanation is quite simple. I have endeavored to find the best men available, trained them, trust them and give them a free hand to do what in their experience and wisdom they consider right and in the best interests of their readers. And I know of no better model for them to follow than the late Mr. Houston. These men are trained under our basic policies. Sometimes they make mistakes, damnable mistakes; sometimes they are misled into doing things that are absolutely contrary to our principles. With this situation, the editor who conscientiously does his work in the interests of his particular field will sometimes find himself at variance, and properly so, with the views of our own editors in other fields, just as did the delegates at the Imperial Conference.

An Able University Man

Mr. Houston's death was a very severe blow. The Post had a small staff only partially trained. He did the work of two or three men. I had to begin building and training. Fortunately, seven or eight years before a fine, upstanding young man, fresh from Toronto University, joined me, Horace T. Hunter, B.A., taking a junior position. Up to this time most university men showed me their parchment and expected a chief editorship. Mr. Hunter had worked his way up to the general management of one of my most important papers. I unloaded part of the responsibility for The Post on him. He has never failed me. Is now my senior lieutenant over our whole organization. He has proved himself unusually able in business administration and wise in directing editorial policies.

Some of these business policies cost The Financial Post and our other papers many thousands of dollars in loss of advertising, while our advance news and other editorial services have often, particularly during the war, created resentment, and sometimes boycotts, and have made enemies. But "the adamant mind" is an old story; as Lounsbury says it is:

"The infinite capacity of the human brain to withstand the introduction of knowledge." Readers pay us to gather reliable news; for its interpretation in the light of experience, and for other allied services, just as they pay their physician, although he does give them disagreeable medicine.

Circulations Have Advanced

Some of my good friends call these policies Utopian.

But are they? We have not done so badly under them.

The most important of our English contemporaries celebrated a few years ago, their fiftieth anniversary. They had a grand banquet attended by great dignitaries, noble lords, in business and public affairs. His Majesty sent congratulations and thanked them, as was their due, on behalf of the nation for the services of their publications in building the commerce and industry of the Empire. One of these boasted of their great size; largest in the British Empire and perhaps in the world. With their great opportunities, with 45,000,000 population right at hand and many times that throughout the Empire and the rest of the world, they should have been and I thought they were until I read details given by one of their staff. These showed that we far surpassed them in the number of papers, in the volume of business and in other matters. Their papers were not as well edited as those of the MacLean group. But they far surpassed us in net profits—a feature to which I have never given much thought. Our policy has been to give the highest rewards to my able associates who were doing the good work, and to spend our profits in improving and extending our services. Since then I find we are the third largest in our field in the world, with regular readers in 66 different countries.

Perhaps The Financial Post's greatest achievement is that nearly 600 daily and weekly newspapers are regular paying subscribers and that it is quoted more frequently per issue than any daily or weekly in Canada.

In our staff I and my readers have been singularly blessed. They have been wonderful and particularly in the last few years in the splendid way they have carried on with reduced incomes. At no time in our whole history were all our papers giving as good service to readers and advertisers as they are today.

In the case of The Financial Post I have never at any time drawn any profits directly or otherwise.

"Ah, but look at the great property you have," said an investment

(Continued on page 36)

Nation's Richest 25 Years Provide Evidence of Fitness

(Continued from page 27)

ous and intelligent people who have created a solid nation here, can find the way to continue to redress, where necessary, the balance of its national accounts.

Such a spirit of confidence pervades the thoughtful messages on Canada, its present problems and its future hopes, that have been written for this issue by sixty or more of the men who have made Canada the nation it is today and who will play a large part in making it the nation it will be tomorrow.

Born Under Dark Clouds

The Financial Post came into being at a time of business depression. It was not the first institution to survive the difficulties of its formative years. The confederation of Canada was born in a time of business depression; the National Policy; the Laurier-Fielding policy of Empire preference; now the newer and better conception of reciprocal Imperial preferences have come into being in times of economic distress. Happy may be the bride the sun shines on but sunshine is not needed as a bright augury for new-born children, institutions and nations.

The business depression of 1907 was little more than an acute financial panic in Wall Street that had but the mildest repercussions in Canada. But the depression in which The Post turns its first quarter century is a much more serious affair and for the world at large it is a more difficult time of economic testing than it has never known before. For the first time the economists and statesmen of the world have to adjust their policies to an internationalism created by inescapable globe-girdling influences that we would not resist if we could. Each nation considers itself the victim of a world condition to which it has not contributed and each nation adopts policies that are protective rather than curative in character. Thus has been established a vicious circle of disintegrating beggar-my-neighbor policies and those who have conceived a picture of an economic world in balance have been grievously shocked and disappointed.

Scepticism is Prevalent

So the most significant feature of world thought in this depression is the bitter scepticism of many distressed people, a scepticism as pronounced and unreasonable as was the exaggerated optimism of a few years ago, when we in North America proclaimed the exorcization of the demon aftermaths of war although history could have warned us of what was coming, and although the unrecreated wreckage of Europe was a significant though unheeded warning.

The problems of men through the generations have been solved by men. The instinct of the human race for survival is inherent and the race that has found the answer to a million problems from the dawn of time will find the answer to a few more in its handling of this crisis.

Jeremiahs Unpopular

When times are good it is instinctive in the mass mind to seize the fleeting opportunities with such exuberant industry that there is no time for speculation upon any possible calamities that may be just around the corner. From the days of Jeremiah and Cassandra to the present no one ever gained any popularity by avering that depression was just around the corner.

Ordinarily the native optimism of a people such as those who live in Canada makes us susceptible to the reassurances of any prophet who will forecast that prosperity is just around the corner. But the strenuousness of our current experience of hard times has made us rather sceptical and we are more prone to listen with hearty eagerness to those who are most pessimistic now.

In contrast to such a view the messages in this issue are sanely conceived and sensibly expressed and they provide a thoroughly valid antidote to depression.

The
Waterloo Trust & Savings
Company

Capital and Reserve $ 1,450,000
Assets - - 12,500,000

President
E. F. SEAGRAM

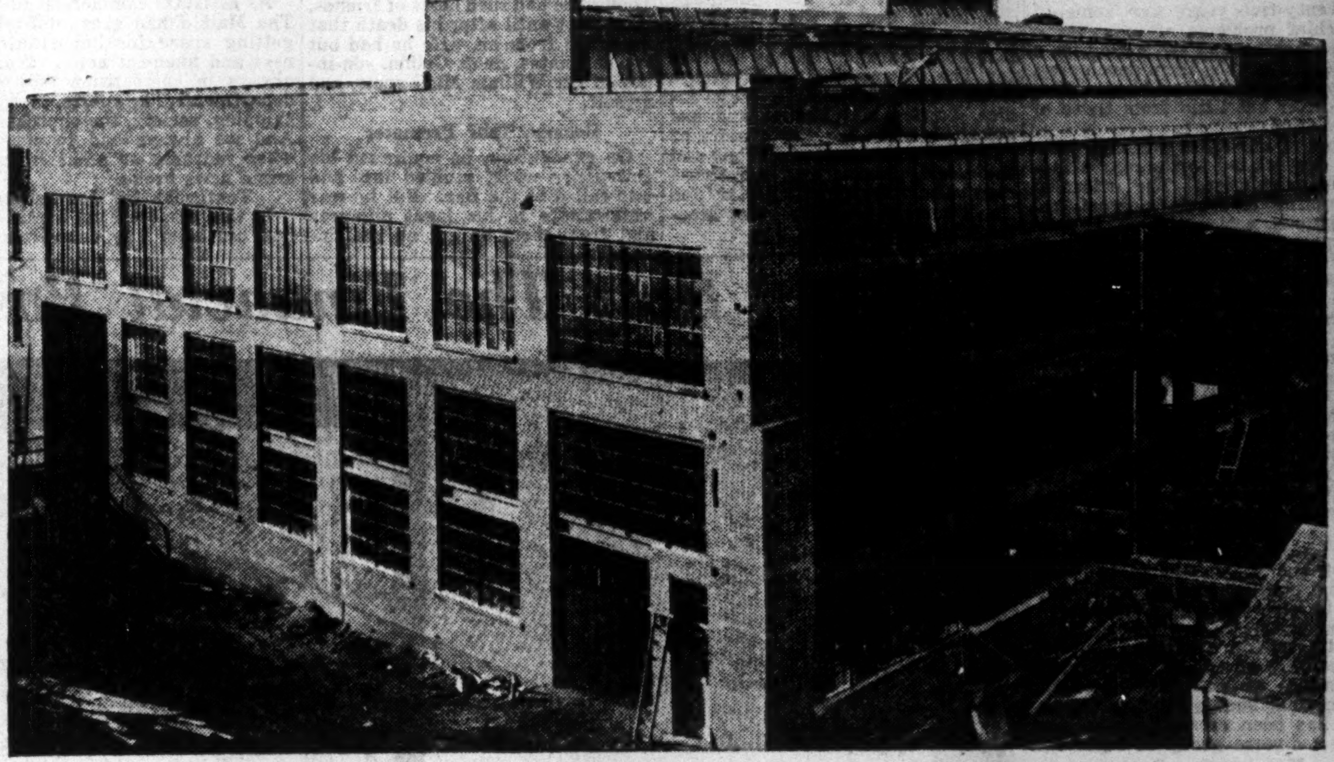
Vice-President
F. S. KUMPF

Managing Director
P. V. WILSON

Equipped to act in all
trust capacities

WATERLOO KITCHENER GALT PRESTON

We are Expanding Now
to Meet Future Business



One of the oldest steel foundries in Canada, still doing business on the same site, is making another large addition to its plant.

We are preparing to meet improved conditions and render a still better service.

Making Steel Since 1909

Above photo shows only the new extension made to our plant at Sorel, P.Q.

Sorel Steel
FOUNDRIES LIMITED
SOREL "Where the Richelieu meets the St. Lawrence" QUEBEC
Subsidiary of Consolidated Marine Companies Limited

Sorel, P.Q. 360 Dorchester St. W., Montreal 170 Bay St., Toronto

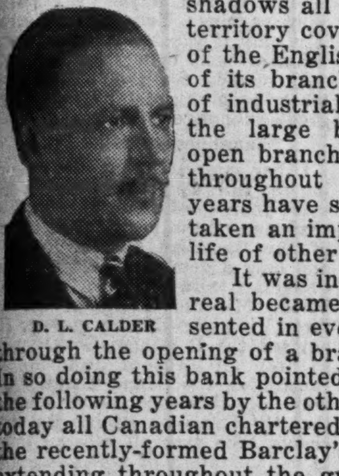
Banking System Protects Country in Panics

Three Dozen Banks Dwindle to Handful In Series of Mergers

But Total Assets Have Trebled in Quarter Century — Present Banks Incorporate All Old Ones Except Few Smaller Banks That Failed

By DONALD L. CALDER
Banking Department, The Financial Post

Although branch banking has long been practised throughout the world, there has evolved in Canada during the past twenty-five years a branch system which overshadows all others in the vastness of the territory covered and, with the exception of the English system, in the multiplicity of its branches. Throughout this period of industrial and agricultural expansion the large banks have been quick to open branches in newly-settled sections throughout the Dominion and in later years have spread outside of Canada and taken an important place in the financial life of other countries.



D. L. CALDER

It was in 1907 that the Bank of Montreal became the first bank to be represented in every province of the Dominion through the opening of a branch in Charlottetown, P.E.I. In so doing this bank pointed the road to be taken during the following years by the other large Canadian banks until today all Canadian chartered banks, with the exception of the recently-formed Barclay's Bank, have branch systems extending throughout the greater part of the Dominion.

A very different situation existed in 1907 when there were 35 chartered banks, many of them small local affairs which were soon absorbed by the larger banks when the advantages of being represented in the chief towns and cities of the Dominion became evident. This consolidation of resources has been the feature of banking in Canada during the present century and by it this group of 35 banks was gradually reduced to nine. Since then a unit of a world-famed bank has been established in the Dominion in Barclay's Bank (Canada) Limited, making ten chartered banks now in operation.

It was not without loss, however, that this strong, world-renowned banking system has been built up, the failures of the Farmers and Home banks being blots on the record of the banking system of the Dominion which can only be erased if, out of the experience of these failures, has come legislation which will make any repetition impossible. In all, a total of nine banks have been forced into liquidation during the past 25 years, and while in some cases loss to the depositors was averted by the action of larger and stronger institutions, these failures serve as an illustration of the evils of speculation by bank directors with depositors' funds. It is to be noted, however, that all failures in 25 years have been for less than 5 per cent of assets, as they existed in 1907 and less than 2 per cent of assets shown on August 31, 1932.

From less than a billion dollars in 1907, the combined assets of all the banks have risen to over $2,800,000,000 in 1932 and there has evolved a banking system as Canadian as the maple yet incorporating many of the successful features of the longer established system of the Old World.

CANADIAN BANKS, 1907 and 1932

Name of Bank:	Established Year	Failed, Absorbed or Active Result & Year	Assets Aug. 31, 1907 $	Assets Aug. 31, 1932 $
Montreal	1817	Active	168,127,505	727,169,539
New Brunswick	1820	N.S., 1913	7,385,803	....
Quebec	1818	Roy., 1917	14,375,016	....
Nova Scotia	1832	Active	39,336,929	257,286,055
St. Stephen	1836	Liquid., 1910	841,880	....
Br. North America	1836	Mtl., 1918	49,329,632	....
Toronto	1855	Active	38,847,257	107,279,649
Molson's	1855	Mtl., 1925	33,367,835	....
Eastern Townships	1855	Comm., 1912	20,893,125	....
Union of Halifax	1856	Roy , 1910	12,723,317	....
Ontario (in liquid.)	1857	Liquid., 1907	2,999,845	....
Nationale	1860	d'Hoch., 1924	14,377,955	....
Merchants	1864	Mtl., 1922	53,226,141	....
Provinciale	1864	Active	6,440,832	46,273,108
Union	1865	Roy., 1910	30,103,647	....
Commerce	1867	Active	116,521,759	546,230,837
Royal	1869	Active	46,612,278	726,727,549
Dominion	1869	Active	48,658,650	116,585,480
Hamilton	1872	Comm., 1923	32,648,271	....
Standard	1873	Comm., 1928	19,887,784	....
St. Jean	1873	Liquid., 1908	974,090	....
d'Hochelaga	1873	C. Natle., 1923	19,550,000	140,348,846
St. Hyacinthe	1873	Liquid., 1908	1,765,858	....
Ottawa	1874	N.S., 1919	32,965,396	....
Imperial	1875	Active	44,923,759	127,275,507
Western	1881	Liquid., 1908	6,078,786	....
Traders	1885	Roy., 1912	33,975,684	....
Sovereign	1888	Liquid., 1908	20,732,468	....
Metropolitan	1902	N.S., 1914	7,557,181	....
Crown	1904	N. Crown, 1908	5,373,006	....
Home	1904	Liquid., 1923	6,131,855	....
Northern	1905	N. Crown, 1908	6,684,323	....
Sterling	1905	Standard, 1924	3,959,332	....
United Empire	1906	Union, 1911	1,726,672	....
Farmers	1906	Liquid., 1910	1,056,712	....
Northern Crown	1908	Royal, 1918	....	....
Weyburn Security	1910	Imperial, 1931	....	....
Vancouver	1911	Liquid., 1914	....	....
Internationale	1911	Home, 1913	....	....
Barclay's (Canada)	1930	Active	....	6,705,012
Total assets			950,260,583	2,801,881,582

In the above table the banks which were in existence in 1907 are shown as well as those which have been formed since that time.

Even in the early months of 1907, signs were not lacking that a continuance of the land speculation and unbridled spending which was rife throughout the Dominion, would inevitably result in a reaction.

Panic of 1907

The panic began to gain impetus at the beginning of the summer of 1907 and by the time harvest had come round the whole world was struggling in the throes of restricted credit. Canadian bank managers were advised by their head offices that the banks found it impossible to grant new credit and to advise customers that it had become necessary to limit all overdrafts to the lines within which they had been conducted during the previous year. It was pointed out, however, by most banks that these instructions did not apply to loans for moderate amounts to responsible farmers.

Crossing of drafts so that cash could not be demanded over the counter had to be resorted to in order to preserve cash balances, and rates on all but farmers' business were raised so as to eliminate as many borrowers as possible. Steps were taken at this time that have not again been necessary with the exception of during the opening days of the Great War when the uncertainty of international financial conditions made it imperative that the most conservative policies be undertaken.

Yet through this panic Canadian banking came with flying colors. Only three banks were forced to close their doors, two being small town banks in St. Jean and St. Hyacinthe, and the other the Sovereign Bank which, however, was liquidated, through the assistance of a number of the other banks, without loss to the depositors.

Farmers Bank Failure

But the upward march of the Dominion was only halted temporarily and Canada soon entered into a period of increasing prosperity during which unemployment was unknown and the chief business problem that existed was a shortage of workers. Yet it was in this period of farming and industrial activity that one of the biggest scandals in Canadian banking history took place.

Although there were many irregularities in the application for its charter, the Farmers Bank was allowed to be established and opened for business in 1906. Almost from the start, it seems that this banking business was conducted along unethical lines and many were the predictions that it would soon fail. It was not long before these predictions came true, as in 1910 the bank was forced to close its doors.

Examination of the records of this bank revealed that more than $1,000,000 of depositors' money had been loaned to a group who were developing a silver prospect, later to be well known as Keeley Silver Mines. How the interest in this property was sold by the liquidators for $100,000 and how a few weeks after this deal had been completed and after 50 ft. of further lateral work in the mine, spectacular silver showings were found, will not soon be forgotten by the luckless depositors who failed to benefit at all from more than $8,000,000 worth of silver which has been taken from the property since that time.

It was during the early years of our history that Western Canada was rapidly being opened up and the larger banks, which had already established extensive branch systems, were in keen competition in the opening of branch offices in the new towns and villages which sprang up almost overnight. Indeed, to such an extent was this orgy of branch opening carried that many branches were started in villages of but a few sheds which later failed to show the early promise of town or city and where the banks were forced to close down.

1913 Bank Act Revision

The enquiry of the Committee on Banking and Currency prior to the revision of the Bank Act in 1913 was the most thorough one which had ever been attempted. High officials of most of the banks were called before the committee and their testimony was of outstanding interest. In addition to the testimony of Canadian bankers such as Edson L. Pease, general manager of the Royal Bank, Sir Edmund Walker of the Bank of Commerce, Joseph Henderson of the Bank of Toronto, H. O. Powell of the Weyburn Security Bank, H. C. McLeod, formerly general manager of the Bank of Nova Scotia, an interesting witness before the committee was J. B. Forgan, president of the First National Bank of Chicago.

Mr. Forgan served his apprenticeship with the Bank of Nova Scotia and his knowledge of both the Canadian and American banking system was invaluable to the committee. A report of Mr. Forgan's testimony stated that it was an eulogy of the Canadian system as compared with the American. The American he described as the worst on earth. He thought that for Canadian conditions no better system than the one then in use could be designed and he stated that he did not believe in meddling with present conditions any more than was absolutely necessary.

External Auditors

Appointment of external auditors and establishment of a central gold reserve were the most important changes in Canadian banking which resulted from the 1913 Bank Act revision although two changes in section 88 are worthy of note. These changes authorized banks to loan money to farmers on threshed grain and on livestock.

Currency problems had gradually become more acute during the preceding ten years and the formation of a central gold reserve to provide cover for note circulation in excess of the paid-up capital of the issuing bank was the result. This gold reserve has been maintained and it would seem that the time when a bank could afford to have capital sufficiently large to provide for all of its note issuing purposes has definitely passed.

Early War Days

In 1913, a period of remarkable trade expansion was followed by sharp contraction throughout the country and the Great War came just in time to assume much of the blame for the conditions of depression into which the country was gradually drifting. It was, therefore, under somewhat shortened sail that Canadian banks met the sudden outbreak of war in 1914.

The latter half of the year of 1914 will long be remembered as a nightmare by Canadian bankers. The effect of the outbreak of war on the operations of finance was instantaneous and deadly. The universal conflict, although long predicted, came with a suddenness that left the world temporarily stunned, and the delicate machinery of international banking overnight was paralyzed. The cardinal difficulty lay in the suspension of all communication by cable, so that, except in the case of New York it was impossible to find out the conditions existing in the financial centres of the world, or to learn what steps were being taken to reestablish financial order.

So far as the domestic situation was concerned, all indications in the latter part of July pointed to the advent of a period of financial depression. It was known that a crisis was maturing in Europe with whirlwind rapidity which reduced all purely domestic apprehensions to insignificance, and on August 4 it became clear that within 24 hours the British Empire would be at war.

Canadian Bankers Summoned

With the Bank of England taking drastic steps to halt the exceedingly heavy demands for gold and advances and the European money exchanges quite demoralized, the Canadian Minister of Finance, Sir Thomas White, now a vice-president of the Canadian Bank of Commerce, decided on Sunday, August 2, to summon the representatives of the Canadian Bankers' Association to meet him at Ottawa on Monday, August 3. By 9.30 p.m. a plan had been drafted for meeting the situation produced by the war in Canada, the necessary order-in-council was passed, and information as to the steps that were taken was handed to the press. The plan then set forth was later embodied in the Finance Act of 1914 and remained in effect almost without alteration throughout the war.

The financial crisis precipitated by the outbreak of hostility continued through 1915 and the early part of 1916 in Canada, when quickened production on supplies of war caused an industrial boom which lasted until the end of hostility, yet through these hectic and troublesome early war days Canadian banks came without loss. Stricter banking laws and more conservative investment and loaning policies had served to place the banks on a stronger footing.

Wartime Activity

Throughout the period of the Great War the Canadian banks performed a great task in underwriting the financing of both the British and Canadian governments in order to provide funds to carry on. All the Canadian banks placed the services of their branches at the disposal of the government for the purpose of receiving subscriptions to these loans and assisted in every way in placing the loans in the hands of the public. Staff problems became very grave owing to the large number of men who left the service to join the forces and the extra work in the handling of these war loans threw a heavy burden on the depleted staff.

Although Canada was far removed from the main centre of hostilities, one incident during the war in which a portion of the reserves of Canadian banks was placed in jeopardy is worthy of record. In the early days of the war before the British fleet obtained command of the seas the possible bombardment of Victoria and Vancouver by the squadron of Count Von Spee was regarded as so probable that measures were taken to remove and protect bank reserves in those cities. Securities and bank notes were moved into the Prairie Provinces and down to Seattle and Portland in the United States.

Home Bank Failure

In the failure of the Home Bank during the post-war depression, which lasted from 1921 virtually until 1926 there was removed from Canadian banking what it is hoped was the last example of unwise and unsound management. There is no doubt that considerable malpractice was the chief cause of this failure, the evidence which came out at the enquiry being indeed startling. It will be many years before the memory of this infamous failure is wiped from the memory of the Canadian public.

Several banks were greatly weakended by the Home Bank failure and the depression, the Union reducing its rest account from $6,000,000 to $1,750,000 and cutting its dividend rate from 10 to 8 per cent and the Standard wiping out $2,250,000 of its reserve of $5,000,000 and decreasing its dividend rate from 14 to 12 per cent.

For months the wildest rumors spread, in which none but a few of the most powerful banks escaped, and "runs" by depositors created uneasiness on several occasions before the panicky conditions were allayed. The year ended with two further specific indications of weakened financial conditions: the Bank of Hamilton decided to seek absorption with the Canadian Bank of Commerce and La Banque Nationale was forced -to save itself from following the Home Bank's crash—to seek the help of the Banque d'Hochelaga in a merger; and it was so weakened financially that a substantial Quebec Government loan had to be placed at the disposal of the rescuing bank to render the union palatable. Out of this merger arose the now impressive Banque Canadienne Nationale.

Bank Act Revision, 1923

With the crash of the Home Bank still a vivid memory there were demands for government audit of the affairs of the chartered banks when the Bank Act came up for revision in 1923. However, when the first draft of the Act was submitted it was immediately evident that this proposal had been rejected.

Steps were taken, however, to tighten up the procedure in the appointment of external auditors and in fixing the responsibility of directors and other officials. Some variations were authorized in the form of the monthly statement submitted to the Department of Finance. This latter change was the most important as it required the banks to list separately in the monthly return the amount borrowed under the Finance Act. Hitherto deposits by the government and advances by the government could not be distinguished in the return.

The period from 1927 to 1929 provided the most hectic expansion in the history of Canadian industry. Stock market speculations reached hitherto unprecedented levels and the future of the North American continent seemed absolutely assured. Canadian banks entered into this spirit of optimism which prevailed throughout the country and it is now stated that the easy credit which the United States banks extended to brokers was to some extent responsible for the tremendous height to which the stock markets rose, prior to the crash in the fall of 1929. In Canada, loans were freely made but on a more conservative basis and the banks started by the end of 1928 to trim their credit sales.

Depression of 1929

Yet despite this current collapse of stock values and an almost as quick slowing down of industrial activity the resources of the remaining Canadian banks were large enough to enable them to weather the storm without even creating a feeling of apprehension in the minds of the banking public.

While it is certain that large losses will have to be taken on loans against securities and other items which have depreciated tremendously in value and which show no indication of returning to their former high levels for some considerable period, yet Canadian banks maintained their highly liquid position throughout and provided a striking contrast to the wholesale failures which took place in the unit system of the United States.

Although hailed as the worst depression in industrial history Canadian banks have not found it necessary to resort to means of restricting credits which were forced on them in other and seemingly smaller periods of panic. Business has been conducted much on the lines that it was prior to the market slump and while naturally there has been considerable cutting down of credits against securities, bankers always vehemently declare that good commercial risks are even more acceptable now than they ever were in history.

Passing of Weyburn

The past two years have seen the formation of a new chartered bank in Barclays (Canada) Ltd. and the passing of the last purely local bank in the merger of the Weyburn Security Bank with the Imperial Bank in 1931.

The decennial revision of the bank act due this year has been postponed until 1934 in order that findings of the World Conference to be held in London can be used in the formation of a new act but before this postponement was announced tremendous interest had been created throughout the Dominion in the revision.

Central Bank Proposal

A full investigation into the uses of a central bank has been promised by Prime Minister Bennett when the Act is revised and it may be that a tremendous change in the conduct of banking in the Dominion is in the offing.

All in all, it can be said that throughout a period of great expansion and deep depression, Canadian banking has come with flying colors, with ever-open doors, and successful in averting anything in the nature of a Dominion-wide financial panic.

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	1907	1932	Increase Per Cent
Capital Issued	$2,794,700	$14,055,200	403%
Shareholders	981	3,222	228%
Fixed Assets	$5,032,033	$23,386,705	365%
Gas Sales	$1,230,000	$ 5,800,000	372%
Customers Served	49,031	172,532	252%
Miles of Mains	337	1,017	202%
Wages Paid	$ 415,000	$ 2,050,000	394%
Taxes Paid	$ 50,025	$ 515,500	930%

The Company is owned by more than 3,200 shareholders, of whom 51 Per Cent are women.

Residents of Canada own more than 94.8 Per Cent of the entire capital stock; 3.1 Per Cent is owned in Great Britain and only 2.1 Per Cent in other countries.

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Canada Had Railway Problem in 1907, Now Has Bigger One

Present Crisis Due to Over-Ambitious Projects of Politically-Abetted Promoters of Early Years — War Precipitated Many Mistaken Policies

CO-OPERATION REFUSED BY G. T. AND C. N.

Attempts to Limit Transcontinental Construction to Two Railways Went to Nought — Grand Trunk Directors Spurned Generous Annuity Offer and Were Shocked to Receive Nothing at All

By JOHN E. LANGDON
Eastern Editor, The Financial Post

J. E. LANGDON

Canada had a railway problem in 1907; it has had one constantly since then, and only recently transportation was the subject of an investigation by the Duff Commission. When the Duff Commission set to work it found a situation even more serious than that studied by another Royal Commission nearly two decades ago.

Twenty-five years ago press and public bitterly complained about the lack of transportation facilities "to meet the growing requirements of the country."

Twenty-five years later press and public were again complaining, but this time about the over-development of transport facilities and the crushing financial burden of the nationally-owned system.

Few there were in 1907 to appreciate what the condition would be in 1932.

To fully appreciate the present-day problem of transportation it would be necessary to turn back to before 1907. But this year of financial panic in the United States was one of super-railway development in Canada and makes an excellent starting point in any story.

Spring opened that year with 60,000 men in the railway construction camps. Over 5,800 miles of new railway lines were under contract and in process of construction.

New towns were springing up in the West overnight—their names commemorating many old-time railway builders and operators, towns like Schreiber, Hanna, Lanigan, Nicola, Gleichen, Brodie, Hatton, Ogden, Hornepayne and scores of others.

Steel mills were working full time in order to meet the demand for rails and tie plates. Rolling stock manufacturers were doing their best to keep up with the insistent demand for new equipment. Lumber operators found a ready market for railway ties.

Railway and railway buildings permeated the whole life of the Dominion. Even the most hare-brained scheme received serious consideration from the public. There was the old Pan-American Road, for example, a project to build a railway from Dawson, in the Yukon Territory, to Buenos Aires, in the Argentine, a distance of more than 13,000 miles. The public didn't consider it a silly scheme at all.

Legislators were busy issuing new charters, granting subsidies and bonusing railway building with liberal grants of land.

Opening up of new agricultural territories, expansion of manufacturing and increase in travelling created a demand for service which the railways were unable to meet. There was a shortage of equipment. Labor and supplies rose in price; strikes and transport troubles caused a shortage of Western coal supplies; and inclement weather hampered construction and increased costs of maintenance.

At this time there were three dominant companies in the railway field—Canadian Pacific, Grand Trunk and its subsidiary Grand Trunk Pacific, and Canadian Northern. A review of their place in the railway picture is necessary in order to appreciate developments from 1907 onward.

C. P. R. Moves Eastward

Until 1888, the Canadian Pacific enjoyed monopolistic privileges in the West. Following the abrogation of the monopoly clause in the Canadian Pacific charter, the Manitoba Government hastened to arrange for an extension into Manitoba of the Northern Pacific.

After the completion of its line in the West, the Canadian Pacific, in order to secure a through haul and the full benefit of its enterprise, was forced to expand eastward. This was accomplished through building and purchase of lines in the East. In this step, the company met with opposition, from the Grand Trunk which extended its lines by the same means. The net result was the establishment of two major systems — one providing a transcontinental service and the other limited to the Eastern area.

Then came the rapid expansion of the West.

Mackenzie and Mann

There was in Manitoba at this time a railway partnership—Mackenzie and Mann, which was destined to play an important part in Canadian railway history. These pioneer railway builders had secured control of a number of small lines in Manitoba, had leased the Northern Pacific line, and had completed a line from Winnipeg to Port Arthur in 1902. They, too, had expansion plans in mind.

It was clear at this time that the Mackenzie-Mann organization would not be content with anything short of a complete line from the Pacific to the Atlantic; while the Grand Trunk was intent upon expansion westward.

Negotiations were undertaken in 1902 and 1903 to bring the Canadian Northern and Grand Trunk together and have one transcontinental line instead of two. No agreement was reached.

In 1903 parliament authorized the building of the National Transcontinental Railway from Winnipeg to Moncton. This was to be operated by the Grand Trunk Pacific as a link between East and West.

An application was made in the same year by the Grand Trunk to construct the Grand Trunk Pacific from Winnipeg to the coast and to make connection from Eastern Canada to Winnipeg through the United States by way of the company's Chicago line and running rights over American railways to the Manitoba border.

This application was refused. As an alternative the government suggested a line from Winnipeg to the coast with an eastern connection to be provided by the National Transcontinental Railway from Winnipeg to Moncton via Quebec City.

Parliament Was Generous

This proposal was accepted, the Grand Trunk obligating itself to equip the N. T. R. upon completion. The line was to be used rent free for three years and thereafter at an annual rental of 3 per cent of the cost of construction.

The Canadian Northern by this time had extended its line westward to Edmonton and in 1903, the Government authorized the company to continue its line westerly from Edmonton to the Pacific Coast and easterly from Port Arthur through Ontario and Quebec to tidewater.

Despite the problems current at the opening of 1907, the railways developed. Canadian Pacific Railway completed its line that year between Toronto and Sudbury. Progress was made on the construction of the Grand Trunk Pacific line from Winnipeg to the coast. The National Transcontinetnal Railway was making headway.

On July 2 the Canadian Pacific Railway put into operation the fast Trans-Canada Limited for the convenience of tourists.

Further progress was made in railway construction during 1908, and, in 1909, the Canadian Pacific became the largest railway system on the continent. In the following year the then Sir Thomas Shaughnessy took over the reins of management from Sir William Van Horne.

Grade crossings at Toronto were an active issue twenty-three years ago and Halifax wanted the Canadian Pacific Railway, just as it does today.

By the end of 1909, 793 miles out of the total mileage of 916 on the National Transcontinental Railway had been completed.

Charles M. Hays was elected in that year to the presidency of the Grand Trunk Railway and Grand Trunk Pacific. Only a few years later he was fated to lose his life in the sinking of the Titanic.

Developments of 1911

There were stirring developments in Canada's railway progress at this time.

British money was pouring into the country and population increased rapidly.

It was in 1911 that the Canadian Pacific Railway increased its dividend on ordinary shares from 7 to 10 per cent, a rate which was to stand for 20 years.

There was no let-up in railway construction and at the beginning of 1912 it was estimated that $60,000,000 would be spent in Western Canada during the year.

The Grand Trunk completed its western lines that year and on September 1 opened them for traffic.

Under-Estimate N. T. Costs

The National Transcontinental Railway was nearing completion. There was widespread criticism of the cost of this railway. It had been originally estimated by Minister of Finance Fielding that the road would cost $61,415,000. The actual cost with interest in 1914 was $180,000,000 and at that time, the estimated final cost was placed at $234,651,251, or nearly four times that estimated in the first instance by Fielding.

C. N. R. Asks Assistance

In 1912 Canadian Northern Railway asked the Dominion Government for aid by way of guarantee of $45,000,000 of securities. The company offered in exchange for this guarantee, $40,000,000 of stock including $7,000,000 of stock already held by the government. This was 40 per cent of the amount to be issued.

This proposal did not go unopposed and among those objecting to further government assistance were R. B. Bennett, K.C., and W. F. Nickle, K.C. Despite the opposition of these two, the bill of assistance was passed by parliament.

War Hits Railways

The outbreak of the war found both transcontinental systems incomplete and financially embarrassed. Anticipated transcontinental service of the Grand Trunk never became effective, the company refusing, because of excessive cost of construction, to take over operation of the National Transcontinental Railway upon its completion in 1915.

Between 1913 and 1920, the Railway Association of Canada estimated that rolling stock used in carrying 2,000 tons of wheat had increased from $85,948 to $251,887, or 193 per cent; the labor bill of the railways in the same period from 115 to 231 million, or 101 per cent; and the cost of rails per mile of track from $9.497 to $19,680, or 107 per cent.

According to D. B. Hanna, between 1914 and 1918 the cost of maintenance of way structure had increased on all Canadian railways from 35 to 51 millions, maintenance of equipment from 36 to 57 millions, movement of traffic from 94 to 145 millions. Between 1907 and 1918 total operating expenses had increased this to a point of 49 per cent.

Expenses Set Pace

By 1920 railway wages had increased in Canada by an aggregate amount of $77,000,000; the freight and passenger rates were at the same time increased and they brought in $43,000,000 additional revenue; in other words, the increase in rates failed to equal the increase in wages by $34,000,000.

Canadian Northern, from its inception in 1896, had constantly figured in the progress and politics of Canada and absorbing books could be written about its history. The war came at its most critical stage of final evolution and prevented a full realization of the carefully worked out plans of its founders and promoters—Mackenzie, Mann, Hanna and Lash.

Start of National System

The war made it impossible to raise additional capital. Canadian Northern and Grand Trunk Pacific had to have help and the government was forced to take action. Public opinion, however, was opposed to further aid without government ownership or control.

In March, 1916, an order in council was issued declaring the Canadian Northern Pacific, C. N. Western and C. N. Saskatchewan companies' lines to be "works for the general advantage of Canada."

Drayton-Acworth Study

The action of the government in "saving" the railway and financial situation in 1916 by a special aid to the Grand Trunk Pacific and Canadian Northern Railway for the purpose of meeting current obligations and interest payments, precipitated the appointment on July 13, 1916, of a commission to look into the railway situation and also enquire into the problem of reorganization or state acquisition.

This was the first comprehensive investigation of the Canadian railway situation. The commission's findings—known as the Drayton-Acworth report— deprecated control of the Grand Trunk and Canadian Northern passing into the hands of the Canadian Pacific Railway. It recommended that the Canadian Northern, Grand Trunk, Grand Trunk Pacific, Intercolonial, and the National Transcontinental should be transferred by act of parliament to a board of trustees, which should be incorporated and invested with ownership of line, the government to assume responsibility for interest on existing securities, while the constitution of the board was to be non-political, permanent, self-perpetuating and not subject to direct government or parliamentary control.

White Presents Solution

In the fall of 1917, Sir Thomas White, then Minister of Finance, presented to parliament a proposed solution of the railway problem. His recommendations may be roughly divided into three categories. First was that the government should acquire the capital stock of the Canadian Northern Railway—amounting to 600,000 shares of a par value of $60,000,000—at a price not to exceed $10,000,000. Forty million par value of this stock was already owned by the government. Secondly, Sir Thomas recommended the appointment of three arbitrators to settle values of stock and obtain such reports and facts as might be necessary, and, thirdly, upon transfer of stock, the government would give the company aid in arranging its indebtedness and obligations.

Grand Trunk Problems

Meanwhile the Grand Trunk was having its problems—pioneer ones of construction, financial ones of far away control, political ones of local complication, and finally, the Grand Trunk Pacific problem. These might have been overcome, but the war smashed everything.

Cash advances by the Grand Trunk to the Grand Trunk Pacific by the beginning of 1916 totalled over $25,000,000 with bond guarantees of $100,000,000.

The government would make no further advances to the Grand Trunk group without securing ownership of the entire system including eastern lines.

Negotiate G. T. Transfer

Negotiations looking to a transfer of the property commenced in 1917. They dragged along and in the early part of 1919, the government precipitated action by refusing to permit the Grand Trunk Pacific to use proceeds of its last loan for interest charges falling due in March, whereupon, the Grand Trunk board, having declined to make an advance for the same purpose, the president of both companies notified the Government that the Grand Trunk must cease to operate the Grand Trunk Pacific as of March 10, 1919, at the latest.

The government refused to release the Grand Trunk from its Grand Trunk Pacific obligations, except as part of an arrangement for the transfer to the Government of the whole Grand Trunk system, including the original eastern system.

Agreement is Reached

Toward the end of 1919 arrangements were completed for the transfer of the property, the government assuming all obligations, including payment of dividend on the Grand Trunk 4 per cent Consolidated debenture stock.

In earlier negotiations the Government had refused to consider the debenture stock as a fixed charge, but offered to make available an annual sum rising to $3,600,000 for distribution by the company among the various classes of equity shareholders, provided that the guaranteed stock was included among the equity issues and not among fixed charges. This was refused by the company.

The new arrangement comprised in the category of equity issues only the first, second and third preference and ordinary shares, upon which last issue no dividend had ever been paid.

Go to Arbitration

The Government agreed to setting up an arbitration board to determine the value of the capital stock, it being agreed between the two parties that valuation be limited to $64,000,000.

In 1921 the Grand Trunk Arbitration Board, comprising Sir Walter Cassels, Sir Thomas White and the Hon. W. H. Taft, presented a majority opinion to the effect that the capital stock was valueless. This decision was appealed to the Privy Council by Grand Trunk shareholders, but the decision of the board was upheld.

Public Ownership Growth

Railway nationalization or public ownership on a large scale was a product of the war and Canadian opinion was not very favorable, but many regarded some such policy as inevitable.

In 1904 R. L. Borden as leader of the Conservative opposition, first urged policy government ownership and operation upon the country in respect to current construction of the Grand Trunk Pacific. Fourteen years later, as Prime Minister, Sir Robert Borden believed himself and country compelled to assume ownership and control of not only the Grand Trunk Pacific, but of the Canadian Northern.

Started in 1918

In 1918 the Dominion Government took over the Canadian Northern Railway, while it was in control of the Grand Trunk Pacific.

In September of the same year the Government formed a board, headed by D. B. Hanna, to manage its railway properties.

The Canadian Government railways in 1919 technically did not include Canadian Northern, Saint John and Quebec or the Grand Trunk; they did include the Intercolonial and its Windsor branch, the New Brunswick and P. E. I. Railway, the P. E. I. Railway, International, Hudson's Bay, Vale Railway, St. Martins, Salisbury and Albert, York and Carleton, Moncton and Buctouche, Elgin and Havelock, Quebec and Saguenay, National Transcontinental Railway and the Grand Trunk Pacific. The latter was taken over due to its inability to meet interest charges.

Acquisition by the Government of lines was made primarily upon inability of the Canadian Northern and Grand Trunk Pacific Railways to face, without continued Government assistance, the situation created by the war. Government help was given up to a certain point but beyond that could not be granted because of the public opinion which, not unnaturally, felt that "he who pays the piper should call the tune."

In 1920 and 1921 the Grand Trunk Railway was under Government control but not management. It was still, technically, the property of the shareholders but practically under conditions of parliamentary control.

Differences in Systems

The situation as it existed at that time may best be described by referring to a speech made in Winnipeg by E. W. Beatty, wherein he said that 1918 conditions had created a new phase of nationalism with two great systems competing for Canadian business—one backed up by prestige, experience, capital, stability of management and the confidence of business interests; the other by direct popular interest, by Government influence and legislation, by a press favorable, in the main, to the experiment and policy, by slowly improving conditions of operations.

A committee of joint management was formed in 1921 by the Dominion Government to co-ordinate operations of the Grand Trunk Railway and Canadian National lines pending the result of the arbitration as to values of preferred and common stocks of the railways.

Flavelle Gives Views

Sir Joseph Flavelle was appointed in 1921 by the Dominion Government as the new chairman of directors of the Grand Trunk Railway. Shortly after taking office, he wrote to the prime minister saying: "There would be no acute railway problem in Canada today if, in 1903, the Grand Trunk and Canadian Northern Railways had been told they must come together and constitute a second transcontinental line."

It was proposed by Sir Joseph that a new National Railway Company be formed. Recommendations were also made respecting the Government's position relating to capital needs and operating losses.

This letter was widely commented upon by the press and public alike.

Speaking in Toronto two months later, Sir Joseph in discussing railway problems said: "The losses can be met in two ways—by taxation or by earnings. You can have earnings only if you have business and business well done; the one and only remedy for this situation is more people, greater production, greater tonnage, more passengers."

Shaughnessy Offers Plan

Other interests were also studying the railway problem and in the same year, Lord Shaughnessy, then chairman of the board of directors of the Canadian Pacific Railway and lang a dominant figure in the Canadian railway world, wrote to Prime Minister Meighen setting forth his views on the matter. He advised the Dominion Government to drop all ideas of acquiring or controlling the Grand Trunk Railway. He then went on to suggest that the Canadian Pacific Railway should take over all railway lines, in consideration of which the Dominion Government should pay in perpetuity fixed annual dividends on share capital. Extraneous assets would be segregated and placed under control of a subsidiary company.

Ottawa's views on the Shaughnessy plan were divided. Political difficulties were seen in the adoption of such a proposal. The press was not very favorable and the plan did not get very far.

The calendar year 1921 was the first in which the Canadian National System, as described, had been fully operated, and it was the last of D. B. Hanna's administration as president; the year 1918 had marked the combination of the Canadian Northern with the Intercolonial, etc.; that of 1920, the acquisition of the Grand Trunk Pacific; the year 1922 saw the partial incorporation of the Grand Trunk Railway, but not the inclusion of its business in the official report.

Initiate National Railway

At this time steps were taken by by the Dominion Government to reorganize properties and select a president for the system, which now included the Grand Trunk Railway.

The boards of the Canadian National Railways and the Grand Trunk Railway, as well as president D. B. Hanna of the former and president Howard G. Kelley of the latter, formally resigned.

Public interest now centred in possible nominees for the important position of president of the Canadian National. Rumors were many and among the names suggested for the new post were Sir Arthur

(Continued on page 36)

Ottawa Stayed Within Income 25 Years Ago

Governments were fairly good at balancing their budgets twenty-five years ago, and according to the records at Ottawa, oridnary revenues were well ahead of ordinary expenditures. Take, for instance, 1906, which is just about twenty-five years ago. In that year total ordinary revenue of the Federal Government amounted to $80,139,000, or $12.99 per capita. Ordinary expenditure, on the other hand, was but $67,241,000, or $10.90 per capita.

The first complete fiscal period during world depression, namely, the fiscal year ending March 31, 1931, found revenues up fourfold, amounting to almost $350,000,000, or $34.33 per capita, and ordinary expenditures nearly six times greater than twenty-five years ago, at $390,000,000, or $37.55 per capita.

Analyzing ordinary revenue as between customs and excise branches, it was found that customs revenue increased in the twenty-five years less than threefold, to $131,200,000. Excise revenue of the Government increased almost three and a half times from $14,000,000 to $58,000,000.

PUBLIC DEBT RISES IN QUARTER CENTURY

War Was, of Course, Big Reason, But There Have Been Others Too

Gross debt of Canada twenty-five years ago was $392,000,000. It has now increased more than sixfold and for the fiscal year ending March 31, 1931, totalled $2,610,000,000.

Looked at in the intervening years, the rise was steady and rapid, while during and following the war, the rise was staggering. Thus, by 1911, $80,000,000 had been added (or twice the amount of the increase in the previous decade) and by 1916 federal debt had doubled to $937,000,000. Five years later it reached its record peak of $2,902,000,000, from which a steady decrease has been recorded in the past five years. Assets of the country, which 25 years ago were $125,000,000, rose by the end of 1931 to $348,653,000.

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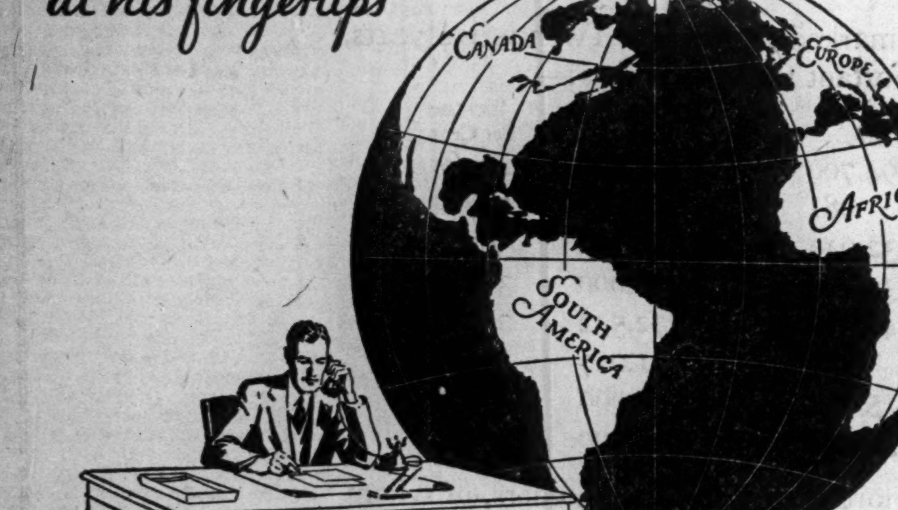

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PIONEERS OF 25 YEARS AGO WELL REWARDED

Great Profit Has Accrued to Early Promoters Who Conceived Idea of Harnessing Our Tumbling Rivers to Provide Energy for Power and Light

By JOHN E. LANGDON

Canada's water power industry emerged from its swaddling clothes in 1907. In the next twenty-five years over a billion dollars of new capital was raised in Canada, the United States, England and elsewhere to meet the needs of this rapidly expanding industry. In that time the Dominion has come to occupy a foremost place among the power-producing countries of the world.

In order to follow the growth of the industry over the past quarter of a century, it is necessary to appreciate the position of the central electric station in the economic scheme of things in the early days.

Electricity was then somewhat of a novelty, though there were a few far-seeing enthusiasts who comprehended the possibilities of this form of energy. But even they could not fully visualize the thousand and one uses to which electricity would be put in the comparatively short time of 25 years.

Plants Were Isolated

Hydro power plants were isolated affairs back in 1907. Plants were still located as close as possible to the large urban centres or where points where the power was to be used. High tension lines and more efficient distribution systems were then coming into their own. In their wake came the exploitation of valuable water power sites, which hitherto had been considered as too distant from market for economical development.

Out on the Pacific Coast there were only three central electric stations of any importance. One of these supplied the needs of the Granby mining district. Alberta had only one water power plant, while none existed in Saskatchewan. Manitoba had two plants, one operated by the Winnipeg Electric Co. and the other by the Canada Gas and Electric Co. Ontario had 18 plants, nearly a third of which were located at Niagara Falls. In the Maritimes water power developments were limited, New Brunswick having only one plant which might be classified as a central electric station. Quebec supported 11 plants, few of any size.

Early Developments

Important changes were taking place at the turn of the century, which were destined to have an important bearing upon the future of the industry. These included the entrance of Shawinigan Water and Power Co. into the Quebec field and the consolidation of a number of Montreal utility concerns into what later became known as Montreal Light, Heat and Power Consolidated.

In 1903 the Ontario legislature passed an Act, as a result of public interest and action initiated by different associations, boards of trade, etc., which authorized Ontario municipalities to appoint a commission to enquire into the desirability of securing the establishment and operation of municipal light, heat and power works and to establish the same.

Ontario Hydro Formation

Immediately after the passage of the Act, the municipalities of Toronto, London, Brantford, Woodstock, Ingersoll and Guelph exercised their powers and appointed a commission to enquire into the best method of developing power for their needs and to estimate the cost thereof. The commission was composed of E. W. B. Snyder, of St. Jacobs; P. W. Ellis, Toronto; W. Cockshutt, of Brantford; R. A. Fessenden and Adam (later Sir Adam) Beck.

The report of this commission was issued in March, 1906, and it set forth for the first time an authoritative and exhaustive exposition of the whole question of the commercial value to the Province of its great natural water powers when utilized for the generation and transmission of electric power.

It became evident during the latter stages of the work of this commission and also in the discussions which followed publication of the report that certain serious difficulties of procedure were inherent in any plan which depended for its final accomplishment upon purely municipal initiative. The government recognizing these difficulties appointed a new commission to make still further enquiries. This commission was composed of George Pattinson, M.P.P., of Preston; P. W. Ellis, of Toronto, and Adam Beck.

Hendrie - Smith - Beck

Further investigations were made into the location and value of the provincial water powers by this commission. As a final result of all these enquiries, reports, discussions and public agitation, the Hydro Electric Power Commission of Ontario was formally created on May 14, 1906. This commission was originally composed of the Hon. J. S. Hendrie, of Hamilton; G. B. Smith and Adam Beck.

Thus there came into being a publicly-owned power organization which in time came to dominate the Ontario market. It grew into one of the largest enterprises of its kind in the world and the cause of much controversy as to its value in relation to the privately-owned systems in other parts of the Dominion and the United States.

Central Stations Few

At this time the turbine installation in Canada amounted to 608,002 h.p. During 1907 another 109,600 h.p. were added, bringing installations up to 727,646 h.p. There were less than 50 central electric stations in operation, with the development of water power concentrated at Niagara Falls where machine installations aggregated 156,650 h.p., or only a fraction of what is today installed in the Ontario Hydro's plant at Queenston.

Conditions Are Favorable

Conditions in Canada have been particularly conducive to the exploitation of water power resources. In the Maritimes, Alberta and British Columbia, the Dominion has vast reserves of coal as a source of energy. The other provinces are not so fortunate. They have, on the other hand, enormous water power resources available for utilization in the form of hydro electric energy. It is also pertinent to note that in those areas devoid of coal, but rich in water powers, is concentrated the majority of the country's population and industrial operations.

Operations Are Centralized

Though the effective area in which power can be transmitted has greatly widened in the past decade, central electric stations are still largely confined to "local" operations. Except where plants are favorably located geographically, one does not find inter-provincial operations.

The provincial boundaries are more than imaginary lines as far as the water power industry is concerned. They are arbitrary lines and in surveying the power industry of the Dominion, a better understanding of the growth of the power business can be had by taking each province individually.

Due to lack of power sites, limited population, few industries and costliness of development, hydro power has not been developed to any extent in Prince Edward Island. In 1907 the province reported a turbine installation of 1,701 h.p. and 25 years later 2,439 h.p., or an average gain of about 25½ h.p. each year.

Nova Scotia's Development

In 1907 the question of investigating the sources of power in Nova Scotia and reserving them for the benefit of the people was brought before the provincial government. Again, in 1909, an Act in connection with assisting the gold mining industry was passed, a section of which had special reference to water power development in the province. This indicated that the public interest was alive at least to that particular phase of the possibilities of utilizing hydro electric energy in Nova Scotia.

In 1911 an Act was passed to incorporate a company known as the Canadian Tungsten Mines Ltd. which was the nucelus of the Halifax Power Co., which later became part of the provincially-owned system.

Culmination of public discussion and interest in hydro electric energy as far as Nova Scotia is concerned seems to have occurred during the 1914 session of the provincial legislature, when the Nova Scotia Power Commission was set up to make certain investigations and recommendations. This Commission became operative and today controls a well developed producing and distributing system centring around Halifax.

Paper Industry Helps

Until recent years water power developments in Nova Scotia were not extensive. Between 1907 and 1920 installed capacity increased from 27,977 h.p. to 37,623 h.p. Over the last decade capacity has more than trebled, there being installed at the beginning of this year 111,999 h.p. This growth, in addition to normal expansion of domestic and commercial needs, has been primarily the result of building a newsprint mill at Liverpool.

Nova Scotia power industry is controlled by a few groups. Aside from the provincial and several small municipal systems. Nova Scotia Light, Heat and Power Co. is the largest organization, supplying Halifax, Dartmouth and other towns, as well as the Annapolis Valley through Avon River Power Co. These units were brought together by Royal Securities Corp., of which I. W. Killam is the guiding spirit. Though efforts have been made to merge Nova Scotia Power and Avon River Power, the Utilities Commission has failed to give its approval.

New Brunswick's power developments have been limited by a variety of causes—chief of which are a sparse population, few industries and suitable water power sites. Within the past few years, however, the turbine installation has increased rapidly by the establishment of an 80,000 h.p. (equal to 60 per cent of the total for the province) plant at Grand Falls to supply the power needs of the pulp and paper industry in the northern part of the province.

Quebec Favors Private-Ownership

Quebec is the strong-hold of the privately-owned power companies. Here private initiative has had full sway and the water power industry has expanded on a scale unequalled in any other province. This province is the possessor of extensive power sites, which readily lend themselves to low cost development. It is also rich in other resources, especially pulpwood, which has been the means of greatly stimulating installations to take care of the power needs of the pulp and paper industry. Furthermore the presence of tidewater and excellent transportation facilities, together with the greatest concentrated market in the Dominion, have been the means of attracting other power consuming industries.

Power Interests Allied

There is a close inter-relationship between power producing properties in Quebec.

Several years back Sir William Price interested the late Wm. D. Duke, of American Tobacco fame, in the development of the Saguenay River. The result was the formation of the Duke Price Power Co., which eventually built a 500,000 h.p. plant at Isle Maligne involving a capital outlay of over $60,000,000.

Great courage was needed to invest millions of dollars in a power plant in an area widely separated from the large industrial centres, but that is what the Duke-Price company did. The marketing of half a million horsepower was a problem. Price Bros. and Co. and Shawinigan Water and Power Co., both of which had a financial stake in the enterprise, contracted for 100,000 h.p. each. Relatively small blocks were sold to the two paper companies. The securing of a large contract to supply power to the new aluminum plant at Arvida placed the project on a sound footing. Without this contract, which is said not to have been signed until after the plant was partially completed, the success of the enterprise was in doubt.

Another large power project was undertaken in the same area as a result of the building of the Duke-Price plant. This one was sponsored by the aluminum interests. The first stage, involving the installation of several hundred thousand horsepower, is completed. Ultimately 1,000,000 h.p. will be installed on the Shipshaw River by the Aluminum Company's power subsidiary.

Shawinigan Took Lead

The greatest force in the producing end of the water power industry in Quebec is the Shawinigan Water and Power Co., whose power plants on the St. Maurice River constitute one of the largest power developments in the world.

Thirty-four years ago a financier named John Joyce, who controlled a water power site on the St. Maurice River, induced J. E. Aldred, who was then conducting a small banking business in Boston, to devote all his time to the building up of the newly formed Shawinigan Water and Power Co. In 1902 a small plant was brought into operation. Others interested in this early Quebec power development included Sir A. Galt, J. N. Greenshields, K.C., Wm. Mackenzie, Robt. Mackay, Thos. McDougall, H. H. Melville, etc. One of the younger engineers with that company at that time was Julian Smith, who later became the active operating head.

In 1902 Shawinigan brought a small plant into production at Shawinigan Falls. Five power contracts were on the books of the company. The first contract was to supply 5,000 h.p. to the Pittsburg Reduction Co., which later on became known as the Aluminum Co. of Canada. Aldred is credited with inducing Arthur V. Davis to establish a plant at this new source of power.

Blocked from Montreal

The problems of Shawinigan in the early days were of no mean order. The management realized that its future growth was largely tied up with Montreal. Efforts were made to enter the Montreal market, but this move was blocked by the City Council. The company built a sub-station at Maisonneuve, on the outskirts of Montreal, and sold power for distribution in Montreal to the Lachine Rapids Hydraulic and Land Co., which had an "unlimited" charter. In the following year, 1903, Lachine Rapids Hydraulic was taken over by Montreal Light, Heat and Power Co. With the acquisition of the company, Montreal Power took over the Lachine company's contract with Shawinigan.

High Tension Lines

Getting the power from Shawinigan Falls to Montreal, a distance of 87 miles, was a big task in the early days. Ralph Marchand, of Westinghouse, one of the earliest advocates of high tension lines, was retained by the company as a consulting engineer. In 1903 a 50,000 volt high tension aluminum transmission line was constructed to Montreal. This was one of the most notable advances made by the water power industry up to that time.

Rapid growth of electric energy consumption in Montreal, the rise of the newsprint industry, utilization of power by the asbestos and electro-chemical industries, and the building up of industrial and domestic loads, enabled Shawinigan to bring about a marked increase in its turbine installations. Today the company has nearly 1,000,000 h.p. developed or controlled, making it one of the largest power producing organizations in the world. In addition the company has available on the St. Maurice River at least another 1,000,000 h.p. of undeveloped water powers to take care of future needs.

The Wealthiest System

Associated with Shawinigan in the Quebec field, is Montreal Light, Heat and Power Consold., the greatest privately-owned utility system in the Dominion. The original merger of utility properties making up Montreal Power took place shortly after the turn of the century. Interested in this deal was H. S. Holt, who in years to come acquired a knighthood and became the apostle of private-ownership, just as Sir Adam Beck became the apostle of public ownership.

With the passing of years and the marked growth of population in the area served by the company, Montreal Power has prospered. It is not only a major distributor of electric energy for industrial, commercial and domestic uses, but it also operates a number of power plants, has its own gas producing plant and distribution systems, holds joint control of the tramway system in Montreal and suburbs, and has many millions of dollars in investments outside its own properties.

For more than a quarter of a century Montreal Power has dominated the utility business on the Island of Montreal. In the early days it absorbed its principal competitor—Lachine Rapids Hydraulic and Land Co. Later it acquired control of Cedar Rapids Power and Manufacturing Co., Montreal Island Power Co., etc. It also has a substantial investment interest in Shawinigan Water and Power Co., Beauharnois Power Corp. and other utility enterprises in the province.

Gatineau Wholesales Power

To the Western end of the province, in the upper Ottawa Valley district, is the Gatineau Power Co. This is one of the largest power producing properties in Canada or the United States. It was sponsored by and is closely related to International Paper and Power Co., of which Arch. R. Graustein is the leading spirit.

Gatineau Power is primarily a wholesaler of power. A small percentage of its output is marketed through a retail distributing system, but the greater bulk is sold in block to Ontario Hydro, Canadian International Paper, Ottawa Electric, Canada Cement and other large users of power.

More Inter-Relationships

In the eastern and southern part of the province are two systems of importance — Southern Canada Power and Beauharnois Power Corp. The former is inter-connected with Shawinigan and serves the highly industrialized section of the Eastern Townships.

Beauharnois Power Corp., promoted by R. O. Sweezy, has lately brought into production a plant on the St. Lawrence River which will have a capacity of 500,000 h.p. by 1937. This is probably the largest single stage development in the country and is of importance, not only because of its size, but due to its relationship to the proposed St. Lawrence Waterways scheme.

Like Gatineau Power, Beauharnois is a wholesaler of power, its output having been taken up by four purchasers—Ontario Hydro, Montreal Power, Montreal Cottons and Brupbacher Silk Mills. The first two have contracted for 450,000 h.p. Here again Montreal Power has a substantial investment stake.

Ontario Hydro Dominates

As Quebec is the stronghold of the privately-owned power companies, so is Ontario the stronghold of the publicly-owned power system. Under the leadership of Sir Adam Beck the Ontario Hydro Electric Power Commission absorbed system after system until today its operations cover the larger urban centres as well as spreading out into many rural areas.

Ontario Hydro has been held up by proponents of the publicly-owned power as the ideal system. Its domestic rates are alleged to be lower than those charged by privately-owned companies operating elsewhere. Its critics have been no less active, pointing out that gross income per kilowatt hour of Ontario Hydro is higher than comparatively privately-owned companies, despite the fact that the former does not pay taxes.

Private Companies Survive

While the publicly-owned system in Ontario caters to the needs of the greater part of the province, there are a few privately-owned systems in operation, principal of which are the Canada Northern Power Corp. and Ottawa Light, Heat and Power Co. The former is controlled by the Nesbitt, Thomson group, which is also largely interested in Southern Canada Power and other properties.

Two Systems Conflict

Manitoba's development of water power resources has been held back to some extent by the fact that the watersheds are not altogether favorable for economical development. The amount of power available and developed, however, places the province among the foremost power producers. There are two main systems, that of the Winnipeg Hydro Electric—a publicly-owned organization—and Winnipeg Electric Co. and its subsidiaries, Manitoba Power and North Western Power. Winnipeg Electric operates one of the oldest systems in the country. Among those interested in its early development were Mackenzie and Mann, as well as other pioneer western railway operators and financiers. Today the Nesbitt-Thomson group hold a large interest in the enterprise.

Owing to the fact that the two systems operate in the principal urban and industrial centre of the province, Winnipeg, and that the demand for services does not apparently justify operation of the two systems, steps have been taken to bring about a consolidation. Interests back of Winnipeg Electric Co. have offered to buy the publicly-owned system. They have also offered to sell to the city. No agreement has been reached.

Saskatchewan is especially devoid of water power sites in the southern and central part of the provinces. Until the last few years its water power developments aggregated less than 1,000 h.p. The building of the Churchill River Power Co. plant in the northern part of the province demonstrated that the province has power resources of importance and which can be developed when conditions warrant.

Alberta is better off in water power sites than its neighboring province of Saskatchewan. To date developments have been centred on the watershed west of Calgary, where the Calgary Power Co. has three generating plants. The lack of power sites in the prairie sections has necessitated the wide use of Deisel engines for power purposes. Of late, however, Calgary Power has greatly widened its transmission system and now supplies power from Edmonton in the North and inter-connecting with East Kootenay Power Co. in the south. This company is under control of the Royal Securities Corp., which directly and indirectly owns a number of small western properties as well as controls Nova Scotia Light, Heat and Power Co.

Conditions in British Columbia have been particularly suitable for the development of water powers. In the interior West Kootenay Power Co., a subsidiary of Consolidated Mining and Smelting Co., operates a number of large power plants supplying energy to the parent company. There is also the East Kootenay Power Co.—a Nesbitt-Thomson enterprise — operating in the south-eastern part of the province, as well as the West Canadian Hydro Electric Co.

Big Coast Utility

On the coast, especially around Vancouver and New Westminster the British Columbia Power Corp. is the outstanding system. This organization controls the British Columbia Electric Railway, which was originally financed by English interests, including, among others, Horne Payne, who later took a prominent part in the early Western railway building operations. A few years back control of this company was secured by two Canadian investment banking firms—Nesbitt, Thomson and Co., and Wood, Gundy and Co.

Three Phases of Growth

There have been three distinct phases in the development of the central electric station industry. First: the period of establishment of isolated plants. Second: the building of large operating interests by consolidating the territories of previously isolated plants under a single operating management which then proceeded to interconnect the various load centres with transmission lines in order to

(Continued on page 32)

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Business Annals of Quarter Century

Economic Ups and Downs Revealed by Post Files

Record of 25 Years of Business and Financing Happenings is Re-told as Post Itself First Covered Events

By WARNER A. HIGGINS
Investment Department, The Financial Post

W. A. HIGGINS

For more than a quarter of a century The Financial Post has presented each week the events in the business and financial world that have, in retrospect, made up possibly the most important chapter of the country's economic history. In 1907, The Financial Post was first published when the business of the country was facing a period of economic depression, and in 1932, as The Financial Post starts its second quarter century of service, even more serious conditions have prevailed. After each of the ten major periods of depression that Canada has experienced in the past century, the country has shown strong recuperative powers that have led to still greater progress. The pages of The Financial Post may well chronicle in the next few years the events of an economic recovery that will lead to still greater prestige among the nations of the world.

The chronology of the past 25 years in Canadian business, finance and politics is the outline of an amazing story of the struggle of an adolescent nation and the attainment of its majority through trial of war and post-war problems. In this development, leadership has played a most important part. Throughout this period The Financial Post has voiced, in pointed editorials, its attitude on problems of the day. There follows a summary of the annual highlights in Canadian business and financial history over the past 25 years.

1907

Land Boom Collapse Leads to Panic—Cobalt Mining Area Proves Important—Security Prices Drop

When the first copy of The Financial Post appeared in 1907, Canada had but recently entered the initial stage of a subnormal business condition, which developed during the year into a period of depression and panic such as the country had not experienced since the middle 90's. Canada had not felt the high degree of prosperity present in the United States from 1905 to 1907. There had been a considerable period of land speculation following the extension of the two transcontinental railway lines and the land bubble collapsed before 1907 was half over. Security prices dropped suddenly until at the end of the year new low levels for the century were attained and which were not to be touched again until early in 1913. Immigration, largely from the United Kingdom, which reached its peak in 1906 declined sharply in 1907 to the 1904 level, but the aggregate trade of the country continued to increase.

The first issue of The Financial Post carried a statement of policies by the founder and present publisher, John Bayne Maclean, and these policies are still followed by The Financial Post. The front page of the first issue outlined the financial history of the Hudson's Bay Co., told of the new transcontinental line, the Grand Trunk Pacific, and its freedom (then) from fixed charges, and outlined the change in sentiment with regard to the Canadian Pacific Railway from extreme pessimism to buoyant optimism during the course of the preceding 25 years.

C.P.R. Finances at Low Cost

The rapid increase of bank branches in Western Canada called for the comment from the general managers of the Bank of Montreal and the Canadian Bank of Commerce. A full page was devoted to the Bank of Toronto, which was celebrating its Golden Jubilee.

Excitement over the mining finds at Cobalt presaged the wide interest in Canadian mining development that was to take place in subsequent years. Early in 1907 the Canadian Pacific Railway financed itself in London at a cost of 4.05 per cent, when financing cost American railways 6 per cent in New York. Hydro-electric water power development received little attention in those days, but Montreal Power Co. was even then securing rights to valuable sites and Shawinigan was already in the picture. In the latter half of the year, with crop failures and wholesale prices at high levels without precedence, panic conditions prevailed and carried over to the first half of 1908.

1908

Land Act Stimulates Homesteading in West—Canadian Bank of Commerce Increased Capital—Bond Yields at Record Low

The first half of 1908 was merely a resumption of the panic of the latter half of 1907 with a gradual improvement apparent late in the year as money became more easy and the farmers obtained abundant crops which sold at good prices. Homesteading, encouraged by the Land Act, brought a rush to the Northwest Territories in September and immigration jumped from some 124,000 in 1907 to 262,000 in 1908. This total was not to be reached again until the influx of 1911 and the years immediately following. Manufacturing was adversely affected in the latter part of 1908 and commodity prices dropped sharply. The index number of all commodities had risen to 126.2 in 1907, but dropped to 120.8 in 1908. Sir Wilfrid Laurier and his Liberal government returned to power.

In the financial world one of the first developments was the increase in authorized capital of the Canadian Bank of Commerce from $10,000,000 to $15,000,000. The Sovereign Bank went into liquidation and its business was taken over by the 12 other banks. Shareholders of the insolvent Ontario Bank proceeded to take action against the former directors. General Manager E. S. Clouston, at the Bank of Montreal annual meeting, stated that the chartered banks had taken little advantage of the new Dominion legislation enabling the banks to issue additional notes during the crop moving season. Prices of high grade securities strengthened during the latter part of 1908, but failed to reach the high point of 1905 and 1906. The low yields then prevailing have not since been equalled. The strength in high grade was not reflected in prices on other securities, and there was little activity on the Canadian stock exchange. The Financial Post commented on the flood of Canadian financing in the London market following the offering of £5,000,000 of 3¾ per cent Dominion of Canada bonds at par in that market when the underwriters were compelled to take up 57 per cent of the issue.

1909

Railways Extend Western Lines—Business Improves — Dominion Iron & Steel Wins Suit Against Dominion Coal — Jones Heads Canada Cement

Business showed some revival during 1909. The gradual improvement became more pronounced with summer, although failures seemed to be numerous. While the tide of immigration fell below the 1908 level, development continued in Western Canada and the excellent crop brought a high price. Money was easy and there was a revival of security markets, which favored equities rather than bonds. The external trade of the country increased to $669,000,000 in the fiscal year ended March 31, 1910, from $549,000,000 in 1908-09, but there was a substantial excess of imports over exports. The stimulus of railway extensions was felt and during the year Canada put 1,138 new miles of line into operation.

In January, The Financial Post opposed the acquisition of hydro-electric power at Niagara Falls by the Ontario Hydro-Electric Commission, which has since extended its activities to include the greater part of the province. After extensive litigation the Privy Council dismissed the appeal of Dominion Coal Co. against Dominion Iron & Steel Co. and preferred stock of the steel company rose rapidly. The suit arose out of the alleged failure of Dominion Coal Co. to supply sufficient coal of suitable grades to the steel company. Frank P. Jones upheld the Dominion Iron & Steel Co. case so successfully that he was offered and accepted the presidency of Canada Cement Co., formed in this year.

1910

Back to Prosperity — Settlers Increase — Banks and Industrial Mergers Prominent—Mining Development Gains—Reciprocity, a Chief Topic

Conditions continued to improve in 1910 and general prosperity prevailed. Widespread activity and expansion of industry and active development of the railroads marked this period and there was a substantial increase in the number of Western settlers due to heavy immigration from the United States. Of the 208,794 immigrants who entered Canada in 1909-10 practically 50 per cent came from the United States and over 28 per cent came from United Kingdom. Commodity prices that had fallen in 1908 and 1909 showed some gain and total exports exceeded $300,000,000 for the first time and the ratio of exports to imports declined to 76.9 from 84.4 in 1909. Bond prices were steady and yields were low, while money was tight in the fall and stock exchange activity showed some decline.

This year saw a number of mergers, of which possibly the chief was the merger of Hamilton Steel & Iron Co., the Canada Screw Co., Canada Bolt & Nut and Canada Rolling Mills to form Canadian Steel Corp. of Hamilton, while Dominion Canners, Ltd., merged various canning industry interests in Ontario and Quebec Railway, Light, Heat & Power Co. united several electric light and gas companies in Quebec. The Union Bank of Canada and the United Empire Bank merged late in the year and the Union Bank of Halifax was absorbed by the Royal Bank. Following the trend of Western settlement the chartered banks opened many new branches throughout the West, particularly in Saskatchewan, Alberta and British Columbia.

Mineral Output Higher

Reciprocity between Canada and the United States was under negotiation during the year and the Canadian Government agreed to grant the United States enough tariff concessions to warrant that country giving the Dominion in return the benefit of minimum tariff schedules. Development of the nation's mineral resources continued and the production of silver, chiefly from the Cobalt area, reached a peak both in weight and value that had not previously been attained, although value was to increase materially in 1912, while volume declined. The Porcupine Lake area that had caused a rush in the latter part of 1909 was subject to further development and there was some increase in gold production, which totalled 493,707 ounces. The nickel deposits of On-

(Continued on page 33)

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(Continued from page 26)

tention was turned to the development of a broader and more comprehensive service for investment institutions and investment departments where even more detailed and up-to-the-minute information on Canadian companies is constantly needed. As a result of this research The Financial Post Corporation Service was commenced early in 1929. The Corporation Service consists of a cumulative card service covering all important Canadian companies in which there is public investment interest—industrials, public utilities, merchandising, commercial, trust and loan, life insurance, mines and oils.

The analysis of each company is in card form and gives in detail the company's history, its financial structure, and the record of its financial operations. A daily news service supplies supplementary information and assures the investment institution of having complete and up-to-the-minute facts on any company at all times. The Corporation Service is recognized as the most complete source of investment information available on Canadian companies and has filled the need of banks, investment bankers, brokers, trust companies, insurance companies, etc., for complete, reliable and up-to-date information on Canadian companies.

Directory of Directors

The most recent addition to the subsidiary publications of The Financial Post is The Financial Post Directory of Canadian Directors and Officials. This book was first published late in 1930 and presented for the first time a list of 4,000 Canadian business men with their executive positions and directorships. Prior to the publication of the Directory of Directors, available publications covered directorates only by companies. The Directory of Directors makes it possible to ascertain a business man's connections and the companies he directs. The second volume of this book, larger in scope, with over 6,000 names will be published this year.

Thus, today, The Financial Post in addition to the regular weekly covering of business, investments and industry, provides as a supplementary service to the paper, comprehensive annual reviews of: government and municipal financing, insurance, trust and loan companies, pulp and paper, mining, public utilities, food and merchandising, textiles, and steel and construction. And, its subsidiary publications make available to investors, investment institutions and business men, the financial and business information they are constantly seeking.

ROMANCE OF ENERGY ONE OF MOST STIRRING IN CANADA'S RECORD

(Continued from page 31)

serve the consolidated territory from a single or at most a few power plants. Third: extension of interconnection beyond the bounds of individual operating managements creating the so-called "super-power" systems.

These various phases of development came naturally in response to scientific improvements. They fostered greater economy in production and continued lower rates. Their main accomplishment was the maximum employment of generating capacity and reduction to a minimum of the amount of reserve capacity necessary to insure continuous service at all times.

Concentration of Control

Though Canada has not seen the formation of super-power holding companies such as were fostered in the United States, there are two or three groups which have come to stand out.

In the Quebec field one finds an inter-relationship between Montreal Power, Shawinigan, Quebec Power, Duke-Price, Beauharnois, Montreal Island Power and other companies.

The Nesbitt, Thomson group, through Power Corp., have controlling interest or a substantial stake in Northern British Columbia Power, B. C. Power Corp., East Kootenay Power, Winnipeg Electric Co., Manitoba Power Co., North Western Power Co., Canada Northern Power Co., Ottawa Valley Power Co., and Southern Canada Power Co. This group also have an interest in French public utilities through Foreign Power Securities Corp.

Royal Securities Corp. are associated with Calgary Power Co., Nova Scotia Light, Heat and Power Co., Avon River Power Co., Ottawa Valley Power Co., Ottawa Light, Heat and Power Co. and numerous small properties in Western Canada through Montreal Engineering Co.

Growth Has Been Rapid

The remarkable manner in which the use of electricity has grown in this country is well exemplified by a recent report of the Dominion Bureau of Statistics which showed that over 70 per cent of the energy used by industry was in the form of electricity. Water power, in turn, was the principal source of this energy.

Probably one of the greatest contributing factors to the growth of the water power industry is the newsprint industry. Abundant forest resources, proximity to the American market and ample supplies of low cost water power, have made Canada the largest newsprint producers in the world. While it is true that the power industry owes a great deal of its growth to the expansion of the newsprint industry, one is inter-dependent of the other.

Mining has also come to play an important part in the growth of power consumption. The opening up of new areas, and expansion of established mines, have resulted in a greatly widened market for electric energy. Smelting and refining facilities have been set up in late years and large quantities of power find an outlet in that direction.

Domestic Load Gains

Then there has been the demand from domestic users, both urban and rural. There isn't a community of a population of 1,000 or over in the Dominion which is not provided with electric services. In the case of some of the western municipalities, electric energy is secured from Deisel or other forms of engines. In the East coal is used as a source of power. Generally speaking, however, water power provides by far the largest percentage of electric energy used in this country.

The improvement in transmission and distribution facilities has opened up the rural market for the power distributors. Increasingly large quantities of energy are being marketed in this direction, especially in the older and more thickly settled areas where it is feasible to provide the service at a cost which is not prohibitive.

Rates Are Regulated

For many years the distribution of electric energy has been regarded as a public service, and with hardly an exception, all of the provinces have set up utility commissions with the power to regulate rates. It has been enacted that the utilities are entitled to a fair rate of return on investment so that capital is protected. At the same time the consumer is given protection through the commission bodies which can increase or decrease the rates depending upon the circumstances.

These regulatory bodies have contributed in no small measure to the stability of the industry. In many instances rates have been voluntarily regulated downward by the operators as conditions warranted. Where rate increases have been asked the commissions have acted in a manner fair to both the company and the public.

Surplus Now Exists

Until the last year or two the consumption of electrical energy in Canada, as reported by the central electric stations, has steadily mounted upward. The business depression, combined with the drop in production of newsprint, have affected power sales. There is at present an over-development of possibly 1½ million horsepower in the Dominion. Additional installations are scheduled to come into operation this year, which will further aggravate the situation.

Judged by the long-term outlook, however, the present setback is seen as temporary and that in time the needs of the Dominion will be far greater than they are today. The cost of carrying the excess power until demand picks up again, may prove embarrassing to one or two of the systems. Taken as a whole, however, the power companies in Canada are in a sound position.

New developments are likely to be limited over the next five years. By that time the need for more power may be seen, when expansion of existing facilities can be carried out at relatively low cost. In addition there is the possibility of the development of the St. Lawrence waterway, which would provide the quickly populated district along this waterway with an abundance of power.

Up to date the record of the water power industry has been an exceptionally good one. Stability of operations has been most marked. Relations with the public have been satisfactory. Investors have received regular and substantial returns. Losses have been few. And as already mentioned the immediate future reveals the likelihood of surplus power in two or three areas making for an operating and financial burden on the systems concerned, but this situation will be surmounted.

SOLID AS THE CONTINENT

At a time when people think primarily of security and when there is such vital need for protection against the future, Life Assurance is the best and in most cases the only means of securing it.

ASSETS
$46,855,113

ESTABLISHED 1881 SOLID AS THE CONTINENT A MUTUAL COMPANY ALL PROFITS PAID TO POLICYHOLDERS

The North American Life, a purely mutual company, returns all profits to policyholders and has $118 for every $100 liabilities. It is one of the strongest financial institutions on the Continent.

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$7,007,959

NORTH AMERICAN LIFE

The "Ottawa Electric Building"

One of Canada's best appointed buildings, symbolic of the company's sound progress.

Stability - Progress

"Ottawa, the capital city, has not suffered from the financial stringency brought about by economic conditions that have seriously curtailed buying power in nearly every city on the American continent. Ottawa reacts neither to 'boom' inflation nor to severe depression. As the Capital, and the seat of Federal Government, it maintains a stable financial condition."
—*The Ottawa Journal.*

Nowhere is this healthy condition reflected so clearly as in the earnings of Ottawa's pioneer public utilities, The Ottawa Gas Co. and The Ottawa Electric Co., both of which companies continue to show a condition of stability and growth highly gratifying to both shareholders and management.

The Ottawa Gas Co.

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The First Office of The Royal Bank of Canada-Halifax, 1869

Since 1869

The Royal Bank of Canada is typical of Canadian progress. Starting as a small local bank in Halifax, it has moved steadily forward through the various booms and depressions of the past 63 years. In enterprise, experience and established strength, The Royal has long been recognized as one of the great banking institutions of the world.

The ROYAL BANK OF CANADA

CAPITAL $35,000,000 RESERVES $39,155,106 ASSETS over $725,000,000

BUSINESS ANNALS OF QUARTER CENTURY

(Continued from page 32)

tario were also getting attention. The foundations were being laid for Ontario's later pre-eminence as a gold producer.

1911

Land Speculation Active—Building Increases—Population Over 7,-2,000,000—Many New Companies Formed by Mergers—Laurier Loses on Reciprocity

The tide of Canadian prosperity continues during 1911 with an increased volume of domestic and foreign trade and great activity in building. Speculation in land was active and many new enterprises were organized, including the Weyburn Security Bank and the Banque Internationale du Canada, the latter substantially backed by French money. The census of 1911 gave Canada a population of 7,206,643, which compared with 5,371,315 in 1901, and the number of immigrants increased by over 30 per cent during the year to reach a new record of 311,084. The increase in the number of immigrants coming from the United Kingdom was particularly large. Crops were good, although the price of wheat was down. The external trade in 1910-1911 was $769,144,000, an increase of $76,-000,000 over 1910, which was entirely due to increase in value of imports, for exports dropped slightly below the 1910 level. The ratio exports to imports was substan- y lower than in 1910 and stood 62.9. Some 700 miles of new railway lines were placed in operation, bank deposits increased by $71,000,000 and there was further increase in the wholesale prices of commodities that had started in 1909.

Mergers Continue

The trend toward amalgamation of industrial enterprises that started in 1909, continued without abatement and during the year Canadian Steel Foundries, Ltd., was formed in Montreal and merged Montreal Steel Co. and Ontario Iron & Steel Co., the Ames Holden, Ltd., and James McCready Co., manufacturers of boots and shoes merged. Canadian Coal & Coke, Ltd., was formed to consolidate coal companies in the West and Belding Corticelli, Ltd., brought three silk companies together. International Milling Co. of Canada was also formed. Sherwin-Williams Co. and S. J. Moore headed American Sales Book Co., an amalgamation of sales book companies. Shipping companies on the Great Lakes joined interests and the Canada Cement merger was largely discussed during the year, while efforts were made to reorganize Amalgamated Asbestos Corp.

Borden Becomes Premier

The great question of the year was the proposal for a limited reciprocity with the United States. In the election of September, Sir Wilfrid Laurier, with reciprocity his principal platform, lost out to Robert Borden, who had the support of many Liberals. The Canadian Pacific Railway established shops in Winnipeg, which gave employment to a large number. Westward extension of the railways brought prominence to the possibilities of the Peace River district for the first time.

1912

Settlement of West Continues—Railways Active—Commodity Prices Higher—Speculation Active—Important Companies Formed—Foreign Trade Exceeds $1,000,000,000

Exceptional activity in building and in mining and industrial development occurred in 1912 and commodity prices rose and there was a large expansion in foreign trade, although chief increase was in imports and the ratio of exports to imports showed a further drop to 56.38. The country added 354,000 to its population through immigration and the majority of immigrants came from the United Kingdom and the United States to take up land in Western Canada. A severe winter and a late spring combined with one of the coldest and wettest seasons on record reduced the crop of fall wheat substantially and the returns from agriculture generally were under those of 1911. Railroad mileage showed a big spurt with 1,300 miles of trackage placed in operation. Wholesale commodity prices continued to climb. The public debt was substantially decreased. Speculation was active and money was easy, although there was considerable tightening in credit in the latter part of the year. Prices of high grade bonds declined steadily throughout the year.

Brazilian Traction, Light & Power Co. was formed to acquire several operating companies in Brazil and shareholders of the Royal Bank approved the acquisition of the Traders Bank, while the Bank of Nova Scotia acquired the Bank of New Brunswick. Final details of the organization of Canada Steamship Lines, Ltd., were completed and the company took form in 1913. New companies formed during the year included the St. Lawrence Sugar Refineries, Ltd., Atlantic Sugar Refineries, Ltd., Pacific Coast Collieries, Ltd., Asbestos Corp. of Canada, Ltd., National Steel Car Co., P. Lyall & Sons Construction Co., Algoma Steel Corp., Union Natural Gas Co. of Canada. Cedar Rapids Power Mfg. Co. was acquired by Montreal Power and Shawinigan Power interests. Acquisition of the Banque Internationale du Canada, formed the previous year, by the Home Bank, was under discussion, but the acquisition was not to take effect until 1913.

Foreign Trade Larger

Grand Trunk Pacific Railway almost completed large shops at Transcona, Manitoba. Value of mineral production in the Dominion was $133,127,000, a substantial increase over 1911, largely due to increase in gold production, in which Ontario played an important part, a result of development of the Porcupine area. While silver production showed some decrease, the value of production was substantially higher than preceding years. Building to the extent of over $200,000,000 took place in the principal cities, an increase of $60,-000,000 over 1911. Total of imports and exports exceeded $1,000,000,000 for the first time. Advantages of mixed farming in some areas of the West were stressed by The Financial Post in view of the decline in wheat prices late in the year. Toward the end of the year Canadian banking figures started to indicate the stringent conditions that characterized the money situation throughout the world.

1913

Reaction Sets In—Money Tight—Speculation Halted—Many Failures—Large Crop Sold at Good Prices—Bank Act Revised

The rapid commercial expansion witnessed during the year 1912 was followed by a reaction during 1913. While prosperity continued during the first half of the year, there was a reduction in business activity. The flow of immigration went on unabated, totalling 402,000. Railroad mileage and operation increased by 2,600 miles, but the flood of speculation was halted and there were many commercial failures. Money was very tight and stock markets were depressed. The aggregate trade of the country showed a slight increase due to gain in exports, and imports decreased for the first time since 1908.

As the year progressed, depression became more and more acute, in common with the situation of other countries throughout the world. It became extremely difficult to get new capital from London, which had financed in a large part the expansion of the previous three years and the number of companies got into serious financial difficulties. There was by no means a cessation of financing, however, and $351,408,-000 of new securities were sold, of which Great Britain took $255,084,-000. Western municipalities were embarrassed financially, as a result of over expansion, but a large grain crop, sold at good prices, helped in the latter months of the year.

One of the important developments of the year was the revision of the Bank Act, among the most important inclusions was provision for the establishment of central gold reserve, while another change gave the banks power to lend money to farmers on the security of grain.

1914

Depression Follows Prosperous Years—U. S. Tariff Revisions Aid B. C. and Paper Industry—Western Freight Rates Reduced—War Declared—Good Crops

Early in 1914, George Paish, then editor of the Statist, wrote, in The Financial Post, that Canada was nearing the end of the present construction period and would shortly enter its production stage. He pointed out the necessity of new capital needed to aid farming and mining and stated that one of the greatest difficulties experienced in developing the West was the deficient supply of farming capital. In his opinion, British investors would do well to form trust and loan companies for the purpose of aiding settlers.

The serious state of Toronto's finances was analyzed by a series of articles in The Financial Post. The Kirkland Lake gold fields took on renewed activity. Lake Shore Mines, Ltd., was financed. Corporation earnings declined in the first part of the year. Some improvement had been shown in British Columbia, however, due to United States tariff revisions, which became operative late in the fall of 1913 and which had the effect of doubling exports from British Columbia to the United States, principally in fish and wood products.

War Is Declared

Trouble in Ireland and Mexico unsettled world markets in April and May. With no bright outlook for business, Canada was feeling the effect of the depression.

The outbreak of the Great War affected Canadian trade adversely at first and industrial companies did not get into production on war goods for some months. In many lines, however, the policy was followed of conducting business on a normal basis despite the fact that normal business conditions did not prevail. Home consumption of Canadian products was promoted. Finally large war orders started to come in. Large wheat crops in the West sold at good prices and the milling industry prospered. Exports showed some increase, but the volume of trade for the year was under that of 1913. New industries did not show an immediate improvement, but during the year the pulp wood industry was aided by abolition of the United States tariff duties on paper and the industry prospered during the year.

The Metropolitan Bank was merged with the Bank of Nova Scotia and the Prudential Trust Co. took over Montreal Debenture Corp. The gross debt of the Dominion showed a small increase to $638,-583,000 during the year. Stock exchanges were closed from July on. Money was tight. Spanish River Pulp & Paper ran into difficulties late in the year.

1915

War Orders Received—Business Stimulated—Commodity Prices Rise—Record Wheat Crop—Immigration Lower—Exports Gain—Railways Extend Operations—First War Loan

The recession in business activity in 1913 and 1914 was carried forward into the first half of 1915, when the low point in business activity was reached. In the latter half of this year, however, business that had been paralyzed by the sudden change from peace to war was stimulated by large war orders and while there were many failures business made progress in adjusting itself to new demands. Commodity prices rose rapidly and money was very tight. While prices of high grade securities dropped rapidly, due to heavy demands for capital to finance Canada's part in the war, stock prices rose. There was a bumper wheat crop in the West, more than double that of 1914 and far exceeding any previous figure and the new record was not to be broken until 1922. Despite a 28 per cent drop from 1914 price level, the return to Canadian farmers was well in excess of that of the previous year. There was a marked reduction in immigration both from the United Kingdom and the United States. Exports showed a large increase due to shipments of war materials and aggregate foreign trade of the country exceeded that of any previous year. During the year, 4,787 miles of new railway lines were placed in operation.

Moratorium Legislation

Early in 1915, the late James Mavor, professor of Political Economy at the University of Toronto, stated in The Financial Post that the real pinch would come when the war was over. New year honors brought titles to many Canadian industrialists and statesmen including Herbert S. Holt, president of the Royal Bank and Montreal Power Co. Bondholders of Spanish River Pulp & Paper Co., and Ontario Pulp & Paper Co. agreed to the postponement of interest for two years. National Bridge, controlled by Dominion Bridge Co., defaulted on bond interest. Ontario passed legislation for a moratorium on mortgages and the Dominion government sanctioned issuance of notes beyond the amount authorized by the Dominion Note Act. Depreciation of securities caused the banks to establish large reserves and the Imperial Bank in two years established a reserve amounting approximately to 25 per cent of its investments. National Bridge interest was paid following lease of plant to more manufacture of war materials. Canadian stock exchanges resumed activity in April after being closed approximately eight months. British Canadian Canners Ltd. was absorbed by Dominion Canners Ltd. which later in 1923 was to become the present Canadian Canners Ltd.

First War Loan Raised

In July, the Dominion raised $40,000,000 in New York for bonds which were sold to yield 5¼ per cent and in November the first domestic war loan was raised with $50,000,000 asked. Subscriptions totalled $103,729,500 of which $100,000,000 was allotted. The issue was offered to yield 5.42 per cent. In August, there was a sharp break in stock prices following the sinking of the steamer Arabic. T. B. Macaulay was elected president and general manager of the Sun Life to succeed his father, the late Robertson Macaulay, the founder of the company. The merger of Royal and Bank of Hamilton was refused by the minister of finance in August.

1916

Industries Active; Commodity Prices Soar; Railways Congested.

Under the impetus of war activity, Canadian industries entered a period of high production. A shortage of labor ensued and prices arose rapidly with the Dominion Bureau of Statistics index for all commodities moving from the 1915 level of 148 to 182 in 1916. Due to the movement of war materials, railways were congested late in the year. Canadian external trade rose to $2,025,000,000 in the year ended March 31, 1917, as compared with $1,287,500,000 at March 31, 1916. Exports rose to $1,179,000,000 from $780,000,000 and imports to $846,000,000 from $508,000,000. The wheat crop was lower than in 1915 by 131,000,000 bushels and less was exported, while home consumption was curtailed. Prices, however, were substantially higher. Money was easy and there was considerable increase in circulation. High grade bond prices showed some appreciation but this did not compare with the peak line in 1915, although it enabled the Dominion government to bring out the second war loan in September and secured $100,000,-000 on a yield basis of 5.3 per cent. Subscriptions to the loan totalled over $200,000,000.

A tax on business profits was imposed.

Railway Problems Serious

Sir William C. Van Horne, chairman of the Canadian Pacific Railway, died in September and the year marked the heaviest tourist traffic handled by that railway. The Grand Trunk Pacific Railway opened its new Hotel MacDonald, in Edmonton, but, as with the Grand Trunk Railway, finances were in bad shape and led to a proposal from Sir Robert Borden, prime minister, that the Dominion take over the Grand Trunk Pacific, January 1, 1916, in return for which the Grand Trunk be relieved of all liabilities. The National Transcontinental Railway was uncompleted and the Canadian government railways took over control on July 1. At the end of the year, the line was practically finished. The Canadian Northern Railways completed its line from Quebec to Vancouver early in the year and inauguration of service was marked in October with the arrival in Vancouver of a train from Quebec carrying 80 senators and members of parliament. The Canadian Manufacturers' Association reported a comparative failure of the "Made in Canada" movement, due to failure to secure sufficient subscriptions.

Steel Co. of Canada, with substantial war orders, was materially improving its financial position, as were many other steel and manufacturing companies. Operations of the Ontario Government in the public utility field met opposition from The Financial Post. Thomas Bradshaw was appointed finance commissioner in Toronto and was to reorganize the financial structure of the city with a substantial improvement in the city's credit. Money available for mortgage loans, particularly in the West, was so costly that loan companies would not extend their commitments and the British Columbia government undertook the experiment of making loans to farmers. Later similar loans were to be made by other provinces.

Bondholders of Mexico Tramways Co., Mexican Light and Power Co. and subsidiaries agreed to permit the companies more time in which to meet their obligations. The use of wireless was being extended and Granby Consolidated Mining & Smelting Co. was the first to install equipment for industrial purposes. A series of six articles by Professor James Mavor outlined objections to public ownership and the Ontario Hydro-Electric Power Commission. Property of the Mexican Railway Co. returned to the common shareholders after being in the hands of the Mexican Government and revolutionary forces from November, 1914.

1917

Trade Active—Prices Rise—Export Trade at Peak—Transportation Services Clogged—Nationalization of Railways Favored

Canadian industry was intensely active during 1917, although shortage of labor and supplies hindered operations to some extent. Wages were high and wholesale prices hit new high levels. Export trade reached a peak of $1,586,169,792 and total external trade of the country exceeded $2,500,000,000. Crop yields were considerably under those of previous years, but prices were higher and the value of the wheat crop was $453,000,000, compared with $344,000,000 the previous year. War loans dominated the money market and security values declined. Yield on high grade bonds continued to increase throughout the year and two war loans were floated of which a total of $548,000,000 was allotted. The government took over control of the wheat crop and appointed Hon. W. J. Hanna as food controller and C. A. Magrath as fuel controller.

Embargo placed by the British Government on the export of Australian and New Zealand wool was lifted in favor of Canada, which averted a famine in this commodity. Colonel Herbert Bruce, then one of the chief inspectors of the British Medical Services in France, criticized the administration of the Canadian Medical Service in Great Britain and The Financial Post was the first paper in Canada to give publicity to the report. Profits on goods manufactured for war purposes were lower, due to higher costs of raw materials and labor, although volume continued. Nationalization of the railways, becoming a question of increasing moment, was postponed. Blockade of freight traffic arising from heavy shipments of material from coast to coast and lack of ocean shipping facilities hindered industry and brought about resentment on the part of the public. The Financial Post came out in favor of prohibition for the duration of the war.

The Royal Commission appointed to enquire into the transportation situation in Canada was presented to the house with Sir Henry Drayton and W. M. Acworth favoring nationalization of all systems with the exception of the Canadian Pacific Railway, and A. H. Smith, president of the New York Central, bringing in a minority report in favor of reorganization and continuation of private administration. The Financial Post agreed with the principal of the minority report. The British Columbia Government took over the Pacific Great Eastern Railway, which ever since has constituted a drain on provincial finances. The Post attacked the unrestricted facilities for drinking offered in the military camps in Great Britain and the situation was attacked thereafter by newspapers throughout Canada. Sir Adam Beck was fighting for a system of electric railway lines throughout the province and The Financial Post asked, "Has Sir Adam Beck considered the motor bus?"

The Financial Post had predicted a five year war, a 300,000 and not a 25,000 Canadian fighting army, a $1,000,000,000 debt, Russian withdrawal from the war and the kicking out of the Asquith-Grey-Churchill group. The prophecies were coming true. War profits of William Davies Co. were divulged in a federal report on the cost of living in Canada and were the subject of federal investigations. The Post claimed the enquiry was inspired. The Federal Government took steps to regulate profits of the packing industry. Canadian railroads, with record business were experiencing a substantial drop in profits.

1918

Armistice Brings Decline in Trade—Prices Advance—Fifth War Loan a Success—Mining is Active

Government acquisition of the railways, government control of the packing industry and the position

(Continued on page 35)

MODERN BUSINESS

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BUSINESS ANNALS OF QUARTER CENTURY

(Continued from page 33)

of the Toronto Street Railway, controlled by Mackenzie and Mann interests, were highlights of early 1918. Assets of the C.P.R. exceeded $1,000,000,000 for the first time and E. W. Beatty was elected president. Thomas Bradshaw condemned the Toronto system of financing public utilities. The Federal Government placed an embargo upon export of gold to the United States because of the exchange situation, with the Canadian dollar at a discount of 2⅛ per cent. Dominion Steel Corp. planned expansions to cost $15,000,000. Postal employees struck in July. In a 56 page issue, November 2, 1918, The Financial Post regarded Canada's industrial possibilities as wonderful, and its early probabilities doubtful. At the year end, the Manufacturers' Association was reorganized under a general manager, a course advocated by The Financial post throughout the year.

The business activity that had persisted until the Armistice was signed receded, but prices continued to advance in all lines. There was a decline in foreign trade late in the year and the country was feeling the financial strain of the heavy financial requirements of the war. The fifth war loan, launched late in October, brought out subscriptions totalling $660,000,000, of which $610,000,000 was allotted. Stock yields moved higher slightly during the first half of the year and then prices of high grade securities strengthened. There was a very poor wheat crop and despite higher prices the value was $72,000,000 under that of 1917, but the oat crop was large. Both exports and imports fell below the peak of the previous year, but still remained substantially higher than the prewar period.

Mining activity reached the peak in 1918, with total value of production at $211,000,000. Value of silver and nickel and production of lead, iron ore, pig iron and coal reached new high levels, due to the demand for war materials. Present refining plant of International Nickel Co., at Port Colborne, Ont., was opened in that year.

1919

Domestic Demands Stimulate Industry—Post War Problems Start—Pulp and Paper Industry Has Good Export Market

The slackening in industrial activities following the close of the war proved to be temporary. Industry then became active to supply domestic needs and there was a revival in foreign trade that had fallen off in the latter part of 1918. Return of the troops brought forth new problems to be solved and there were severe labor difficulties, with the Winnipeg outbreak the most serious. The cost of living continued to mount. The wheat crop was but little better than that of 1918, but the average price was lower and the value of the crop was under that of 1918. Money was extremely tight but there was great activity on the stock exchanges. The yield on high grade bonds dropped almost three-quarters of one per cent the first half of the year, but prices eased off in the last six months. The sixth war loan was subscribed to the extent of $678,374,100 in October and November, being offered to yield 5½ per cent.

In March, the fuel and food control boards ended their operations. The trade commission to England, which included Lloyd Harris, Frank P. Jones and W. C. Noxon, secured important concessions for Canadian exporters to the British market. Canadian exports of pulp, paper and pulpwood had increased from $14,678,000 in 1912 to $99,259,000 in 1919, when The Financial Post published its first survey of the pulp and paper industry, which has been an annual feature since. The farmer government, headed by E. C. Drury, came into power in Ontario. The Canadian National Railway Co. was incorporated by special Act of Parliament, but did not start to function as an operating company until January, 1923.

1920

Wholesale Prices Highest in Canada's History; Peak Yields on Bonds — Dollar at Discount — Turnover and Excise Taxes Instituted by Drayton

Business activity continued high during the first half of 1920 and reached a peak in mid-summer, when a decline set in. Inflation was general, wholesale prices of commodities reached an all-time high and the cost of living was more than double the 1913 figure. Prices declined in the latter part of the year. Industrial production was at a high level to the end of the year, but unemployment appeared in October. Imports reached a new high, but exports declined and left an unfavorable balance of trade, the first since 1915. Money was tight, especially during the last half of the year and security prices broke sharply until, at the end of 1920, Canadian high grade bonds gave a yield of slightly over 6.5 per cent, the highest yield on high grade bonds Canada has experienced before or since. The Canadian dollar was extremely weak throughout the year, and reached an average discount of 13-2/3 per cent during December and the greatest discount of 19¼ per cent was not again equalled until 1931.

In spite of a larger wheat crop, the total value declined from 1919, due to a drop of 75 cents in the average price per bushel. There was a record crop of oats, which was also affected by lower prices. There was a substantial increase in the number of immigrants, particularly from the United Kingdom. Despite high prices prevailing there was a good deal of construction to make up for the slackness during the war years. As unemployment became more acute Canada's immigration policy was subject to much discussion.

R. M. Wolvin became president of Dominion Steel Corp. Sir Henry Drayton, Federal Minister of Finance, brought in a budget which instituted the turnover and excise taxes and business men were made tax collectors for the government. During the year The Financial Post continued to oppose the Ontario Hydro-Electric radial scheme and to expose Soviet activities in Canada and the United States. Features of The Financial Post charge against Soviet agents included actual reproductions of actual cables and letters. A severe coal famine brought forth a demand for a national fuel policy which later resulted in the establishment of a Dominion Fuel Board. The pound sterling dropped as low as $3.85 in Toronto and this depreciation in terms of Canadian funds resulted in a large increase of imports from Great Britain.

1921

Industries Feel Post-War Depression—Luxury Taxes Eliminated—British Empire Steel Formed—Oil Speculation—U.S. Tariff Hits Canadian Exports

After-effects of the war became most acute in 1921 and a period of depression set in which was to continue with more or less severity until the end of 1926. There was a general taxation of business and many business failures. Production set a very low level and unemployment was general. Wholesale prices, that had reached the peak in 1920, fell off sharply, money rates were easier, and foreign exchange rates improved. The wheat crop exceeded 300,000,000 bushels, but the average price was only 50 per cent of that of 1920 and the agricultural community was severely hit by lower prices. Immigration showed some increase with the chief gain from the United Kingdom. The liberal party came into power in December, headed by W. L. Mackenzie King.

The period of post-war deflation, which had started in the latter part of 1920, first affected the farm population, then the manufacturer. Many industrial companies passed or reduced their dividends during the year and stock prices broke, while high grade bonds rose in price. Reduction in interest rates resulted in a greater volume of new financing, which exceeded $400,000,000, of which 50 per cent was placed in Canada and over 45 per cent in the United States. Sir Henry Drayton brought in a budget which eliminated the business profit tax, and the remaining luxury taxes, but taxes on sales of manufactures and other businesses were increased by 100 per cent. E. R. Peacock, president of Barcelona Traction Co., was elected director of the Bank of England and the Merchants' Bank of Canada was absorbed by the Bank of Montreal, following serious impairment of the Merchants' Bank reserve fund. T. Kennard Thompson proposed a 1,000,000 h.p. hydro-electric development and channel for ocean-going vessels for Montreal. British Empire Steel Corp. was formed to merge Dominion Steel Corporation, Nova Scotia Steel and Coal Company, and Halifax Ship Yards. Discoveries in the oil fields of Northwestern Canada led to speculation in oil stocks. Dividend on the preferred stock of Goodyear Tire & Rubber Co. was passed. A number of municipalities and municipally-owned telephone lines in Western Canada were obliged to default on their bonds.

The Emergency Tariff Act, put into effect by the United States, affected Canadian exports totalling $167,000,000, with agricultural exports hardest hit. Sir Edmund Walker, president of the Canadian Bank of Commerce, and Sir John Hendrie, president of the Bank of Hamilton, could see few possibilities for Canada opening export trade with South America.

1922

Trade Gradually Revives as Better Crops Ease Western Situation—Thornton Appointed Head of Newly Formed Canadian National Railways

Some improvement was evidenced during 1922 and the dullness that had characterized industry during 1921 gradually disappeared and manufacturing activities became more brisk with autumn. Commodity prices reached bottom in September and employment improved. There was a revival in foreign trade and a marked increase in exports. Strengthening in security prices persisted in some degree throughout the year, while bonds remained stable. There was a boom in construction and the value of building contracts was the highest since 1913. The Canadian dollar returned to par in New York in August and money was easy with the Dominion Government floating two large loans, one in New York and one in Canada. The wheat crop was better, which, with a slight improvement in price, eased to some extent the difficult condition of farmers in the West and caused increased activity in Eastern Canada.

The events of the year formed a revival from the depression level of 1921 and paved the way for moderate prosperity in 1923. The aggregate external trade of the country which had fallen roughly to the lowest point in 1921 that had been experienced since the early war years, showed the first stage of the recovery that was to continue practically unchecked until 1928-1929. With the large harvest of grain, traffic handled by the Canadian railways reached a record and net revenues also increased, although freight rates were reduced by 25 per cent in August. Strikes on the railways in the United States had repercussions in Canada as wages were reduced.

The Canadian National lines were all combined under one general management and Sir Henry Thornton was brought from England and placed in charge. Operating deficits of the government railways for the three years ended March 31, 1922, totalled $180,000,000. There were 1,000 miles of permanent paved road in Canada, but the need of further extensions was being pressed and both the Dominion and the Provincial Government pushed the construction of new highways. Sir Montagu Allan, president of the Merchants' Bank, and D. C. Maccarow, general manager, were charged in the courts in connection with the losses incurred by the bank, which led to its absorption by the Bank of Montreal. British Empire Steel Corp. secured a settlement against the Government, arising out of the war contracts, and the company accepted $4,500,000 in settlement of the claim of $10,964,000.

The Financial Post attacked Russell T. Scott and his methods of financing the proposed bridge from Windsor to Detroit. Canada Steamships preferred dividend was passed and The Post's campaign in the interests of investors against directors and management of the company was followed by appointment of a new directorate, headed by W. H. Coverdale. Sir Henry Thornton, getting into the job of untangling Canadian railways, remarked to The Financial Post in the first interview given to any publication: "No time for golf or bridge on this job." Control of Belgo-Canadian Pulp and Paper Co. passed from Belgian to Canadian hands.

1923

Foreign Trade Better — Banking Has Difficult Year — Home Bank Failed — Debt of Dominion Reduced — Railway Revenues Improve

Moderate prosperity followed the revival of the latter half of 1922 and business conditions were generally improved and more sound, although failures continued to be numerous. Prices were relatively steady and there was some revival of foreign trade and a larger favorable balance than in any year since 1920. The fishing industry was depressed but there was a record crop and though prices were lower the agriculturists experienced an improved condition. There was a revival of immigration, chiefly from the United Kingdom and Europe. Tariff revisions encouraged British and American trade.

The Canadian chartered banks were feeling the effects on industry of the depressed conditions of the post-war period and the failure of the Home Bank, the reduction in reserve of the Union Bank, reorganization of the Standard Bank, the merger of the La Banque Nationale and the Bank of Hochelaga with subsequent financial aid from the Province of Quebec, and the absorption of the Bank of Hamilton by the Canadian Bank of Commerce, led to uneasiness on the part of depositors and several "runs." The decennial revision of the Bank Act created wide discussion.

Bond prices generally strengthened throughout the year, while security prices were stable. New financing totalled $518,200,000, of which Canadian investors absorbed 78 per cent, a larger proportion than ever before during times of peace. Failure in the attempt to reorganize the Riodan Co. and failure of L. R. Steel Co. caused substantial losses to investors. British Empire Steel Co. was hampered by persistent labor troubles. Net debt of the Dominion was reduced for the first time in 11 years.

Construction of the Hudson Bay Railway was before parliament and the subject of wide discussion. The first year of consolidation of the Grand Trunk Railway with other government lines, the Grand Trunk Pacific, Canadian Northern Railway, Canadian Trans-continental, the Inter-colonial railway and other lines, showed an improved earnings position under Sir Henry Thornton, despite reduced rates. Conservatives recame into power in Ontario, with G. Howard Ferguson as premier.

1924

Mild Recession in Business—Exchange Returns To Par—Railways Finance—Oil Boom Starts in Turner Valley—Quebec Utilities Merge.

Industries entered a period of mild recession during 1924 and there were numerous business failures and considerable unemployment, particularly in the latter part of the year. Construction programme was smaller than in the two previous years but the movement was to turn in the following year and continue with annual gains until the peak in 1929. Imports declined slightly while exports increased giving a larger favorable balance of trade than was reflected in exchange rates returning to par in the last half of the year. Money was easier and the volume of new bond financing increased but a greater proportion of the total was placed in the United States. C. N. R. and C. P. R. financing totalled $157,375,000, while Federal financing totalled $191,000,000. Security prices showed a slight upward trend.

Crops were moderate but prices were substantially higher and the net result was an increased return to the farmers. The stimulation of a greater purchasing power in the West brought some industrial improvement toward the end of the year that presaged the better conditions that were to prevail in 1925. Immigration figures were smaller. Value of mineral production increased and the trend was to be upward without a break until 1930. Imperial Oil got into production from the wet gas of the Turner Valley starting an oil boom that lasted until 1929.

The Robb budget marked a return toward free trade that received some popular approval. Reductions in tariffs, taxes and debt were leading issues of the day. Possibilities of an over-production of hydro-electric power were foreseen as the industry with $700,000,000 invested was seeking $300,000,000 for power development. Industry in general was regarded as being over-built and capacity of cement and car building plants was 100 per cent in excess of demand. Development continued in the Porcupine gold mining area.

Montreal Light, Heat and Power Consolidated and Shawinigan Water & Power Co. formed United Securities Corp. to acquire Quebec-New England Hydro-Electric Corp., Canadian Light & Power Co. and Montreal Tramways & Power Co., a $20,000,000 merger. The Bank of Montreal absorbed Molsons Bank, the Bank d'Hochelaga acquired La Banque Nationale and became the Banque Canadienne National and the Sterling Bank and Standard Bank merged under the name of Sterling Standard Bank. W. G. Ross, president of Asbestos Corp. suggested government regulation of that industry. The Financial Post estimated that revenue of the Dominion would be $100,000,000 in excess of that in 1923.

1925

Industry More Active—Corporation Financing Larger in Volume—Nova Scotia Coal Strike Hit Steel Industry—Exports Increased.

Marked improvement in industry was experienced during 1925 particularly in mining and pulp and paper. Total value of manufactured products gained by $253,000,000 and with the exception of the iron and steel industry, adversely affected by the Nova Scotia coal strike. The coal strike was estimated to have cost $18,724,000. Building and construction improved after the first quarter. Commodity prices showed some decline to April and a gain in the latter part of the year. There was an increase in both exports and imports and the favorable balance was increased.

Money was plentiful and easy. There was greater activity on the stock exchanges and the trend of security prices was upward although bonds prices showed little fluctuation. The railways required no financing and the total volume of bond sales was under that in 1923 and 1924 but corporation financing was active and totalled $125,673,000, a new record. There was a good crop of wheat, oats and barley and prices were strong so that the farm population received, on the whole, an excellent return.

The budget brought few changes in tariffs but a tariff committee was proposed which would investigate tariff problems. The Financial Post campaigned against the export of pulpwood and hydro-electric power and stressed the urgent need for reduced taxes and a plan for the reduction of the national debt. Ontario instituted a plan of debt retirement. The Financial Post brought to the attention of the public the recommendations of Auditor General George Gonthier whose annual report stated that there was no audit of many government funds. The Conservative party won the Federal election in October.

Corporation financing included issues by Fraser Companies, Montreal Tramways, Simpsons Ltd. which had acquired Robert Simpson Co., and many other prominent corporations. Control of Dominion Canners was bought in the open market and capital reorganization followed, security holders taking securities of Canadian Canners Ltd. in exchange for their holdings. National Biscuit Co. acquired Christie-Brown Co. The Union Bank was merged with the Royal Bank.

1926

Stock Markets Active. Canada Returns to Gold Standard—Bank Deposits up—Imperial Conference Has Little Result—Liberals Return to Power.

There was some recession in the early months of 1926 but the stock markets rallied by June and continued that upward swing that was to terminate so abruptly in 1929. Bond prices also strengthened later in the year. Commodity prices eased off during the year and external trade was slightly higher due to increase in imports which was larger than the decline in exports. New York funds were at par most of the year, due in large part to absorption of Canadian securities by United States investors. Canada returned to the gold standard. Corporation financing at $282,500,000 was at a new peak, 140 per cent above the 1925 level. Construction was active particularly in business and industrial projects. Immigration increased.

Crops were slightly better in volume than in 1925 but this gain was offset by lower prices so that the net return to farmers throughout Canada was just above that of 1925 although farmers in Saskatchewan received a lower return.

Public confidence was re-established in the banking system and deposits reached a new high level. The trend of commercial loans that had been consistently downward since 1920 was reversed early in 1926. The newsprint industry was taking a position of leadership; mining activity broadened. Many large companies split their stock, a policy to be continued by others in later years. Companies to split their stock in 1926 included British-American Oil, Loblaw Groceterias, Massey-Harris Co., Montreal Light, Heat & Power Consolidated, Shawinigan Water & Power and many other of prominence.

The Conservative party elected in October, 1925, remained in power for only a few months as the Liberals won the general election held in September. An Imperial Conference in London, attended by Prime Minister King discussed Empire marketing with little result, but evolved a new formula of the Dominions' constitutional status. Appointment of Hon. Vincent Massey as Canadian Minister to Washington marked the first direct diplomatic relationship between Canada and the United States.

1927

Third Successive Year of Good Crops — Industry Prosperous; Wages Higher— Mergers Numerous—Financing Active.

During 1927 there was a continuous activity in the stock exchanges, prices were appreciating more rapidly than at any previous period and volume of sales was the highest on record. Canadian bond prices also strengthened and yields dropped to 4¼ per cent on long term Ontario bonds, the lowest yield obtainable since the latter part of 1914. New bond financing for the year totalled $617,000,000 of which $303,000,000 was corporation financing and $80,000,000 was railway financing. Slightly under half of the total was placed in the United States. Money was easy and New York funds were steady at a fraction above par.

For the third year in succession the wheat crop was above the ten-year average for yield and while the average price was down from $1.09 to $1 per bushel the total value of the crop was the second largest in the country's history at $477,791,000. Other crops also showed an improvement and the agricultural revenue of the country reached a record figure. Industry was active, wages were higher. Building and construction trades were busy. Total foreign trade of the country was larger despite a decline in exports.

Mergers, particularly in the newsprint industry were a feature of the year. Securities of newsprint companies rose rapidly in price during the year as installed capacity of newsprint mills was increased and future prospects for the industry appeared bright. Spanish River Pulp & Paper Mills Ltd. was merged with Abitibi Power & Paper Co. St. Maurice Valley Corp. was consolidated with Laurentide Co. and Donnacona Paper Co. came under control of Price Bros. There was marked increase in capital reorganizations and subsequent sale of securities to the public and among the largest of these was Canada Cement Co., British Empire Steel Corp. Canadian and English financial interests bid dramatically for control of British Columbia Electric Co.

Canada was celebrating the Diamond Jubilee anniversary of Confederation. The Robb budget reduced income taxes by 10 per cent, sales tax by 20 per cent. R. B. Bennett was elected leader of the Conservative party at the Winnipeg convention.

1928

Largest Wheat Crop in Canada's History—Prosperity Rampant—Wages Rise—Stocks Reach New Highs.

The entire country was in the throes of an expansion programme, a period of marked prosperity that recked not of the future. Speculation was rife and, in spite of a mid-summer reaction, Canadian stocks reached record prices as the year closed. Public interest in stocks caused some weakening in bond prices. The total of new bond sales was still high though under that of 1927 but financing through issue of preferred and common stocks was larger. United States money available for investment in Canadian enterprises was more plentiful than ever. Mining activity was predominant and was accompanied by frenzied speculation in mining stocks. Overproduction of newsprint caused a crisis in that industry.

The West garnered the greatest crop in Canadian history, a total of 566,726,000 bushels but the average price of 80 cents per bushel was 20 cents under that of the previous year and the total value of the crop was some $25,000,000 under the 1927 value. There was a continued activity in industry, mining and construction. Wages were high and there was little unemployment; cost of living was rising gradually. Foreign trade was better and exports increased while imports were also up.

The Federal budget provided for changes in the tariff, particularly reductions on textiles. The income tax was reduced another 10 per cent and exemptions were increased. The St. Lawrence waterway development was prominent. Beauharnois Light, Heat & Power Co. was granted power rights on the St. Lawrence River after extensive lobbying. The Canadian Bank of Commerce acquired the Standard Bank. Consolidation of International Nickel Co. and Mond Nickel Co. placed the nickel supply of the world under one control.

1929

Industrial Production Reaches Peak Attended by Intense Speculation; Stock Prices Crash — Mining Brokers Exposed

A year of extremes, 1929 saw security prices at peak levels that were supposed to herald the arrival of a "new era" only to break badly in the late spring and crash in the last four months of the year. Bond prices went lower early in the year as conservative securities were disregarded in favor of more speculative issues, but prices were steadier in the latter part of the year. Exchange was weaker, money was tight and the date on call loans in New York went to 20 per cent.

Corporation financing was somewhat lower than in 1928, but government and municipal bonds were in greater favor and institutional and industrial investors had large cash surpluses for investment. The total of new financing reached a new high point of $653,400,000.

Cost of living and cost of materials were mounting, but industrial activity was at a high level as domestic demand, stimulated by high wage scales and profits from speculation continued. Export trade was well maintained. Gross value of manufactured products was $300,000,000 higher than in 1928; new construction reached a peak of $577,000,000, an increase of $105,000,000 over the previous year. The wheat crop was poor in the West, especially in Saskatchewan, and while the average price was slightly higher the net return to Western farmers was down. Agricultural revenues in Eastern Canada and in British Columbia compared favorably with the levels of the previous year. Corporation profits were at a new high level.

The boom in mining stocks passed its peak in January and activity dwindled throughout the year as The Financial Post exposed, in a series of articles, the manipulative activities of numerous brokers. The disclosures made forced provincial investigations, which resulted in the conviction in 1930 of principals of the largest mining brokerage houses and eradication of many unsound practices.

1930

Industry Starts Period of Readjustment as Demand Falls—Wheat Crop Brings Little Return to Western Farmers

It was hard to realize that the era of prosperity had come to an abrupt end with the stock market crash of 1929 and readjustment to new conditions was not immediately forthcoming. Deflation of commodity prices, started in the summer of 1929, became more apparent and, as artificial methods of restoring prosperity failed in the United States, manufacturers gradually came to realize that retrenchment was in order. Dividend disbursements, however, reached a peak of $285,000,000, declared on the basis of the previous year's profits. The larger wheat crop in the West brought the lowest return to the average farmer in history, as a result of a world surplus that forced the average farm price for Canadian wheat to 44 cents per bushel, as compared with $1.05 received the previous year.

The volume of manufacturing and mining production dropped to some extent from the 1929 peak and less construction was in progress. Throughout the year, as operating schedules were curtailed, there was less employment and many commercial failures. After a rally in the spring, security prices declined sharply throughout the year and losses were greater than in the fall of 1929. Money was tight and bond prices strengthened, with resultant decrease in yields available. There was substantial increase in the total government financing and little decrease in the volume of corporation financing. Total new bond financing increased to $763,000,000.

The general election in July placed the Conservative party in power, with Hon. R. B. Bennett as prime minister. The Financial Post

(Continued on page 36)

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TRUTH EDITOR HAD REVISED VIEW BY 1907

Famous Jeremiad of 1881 Changed to Paean of Praise

C. P. R. EXTOLLED

Leading Financial Commentators of 1907 Were Loud in Praises of Great Railway Company

Most investors and readers of Canadian history have heard of the dogmatic pessimism concerning Canada and the Canadian Pacific Railway that gave to the London journal "Truth" a fame (of a sort) that it would never have had in Canada if it had failed in 1881 to utter the remark that the C. P. R. would link Eastern Canada with as forbidding a country as there was anywhere on the face of the earth.

Changed View in Time

Time gave the lie to "Truth" and twenty-five years after it made its gloomy prophecies it had radically revised its views and could hardly find words to express its brilliant forecasts regarding the glorious future of Canada and the C. P. R.

But while most Canadians have heard of the famous jeremiad of "Truth" few of them have ever read it in full. In the first number of The Financial Post it was so reproduced and alongside of it some statements from the then current numbers of "Truth." Both make exceedingly interesting reading today.

In its issue of September 1, 1881, London "Truth" said:

The Canadian Dominion Bubble

"The Canadian Pacific Railway Company" has begun, I see, to launch its bonds. "A group of Montreal and New York bankers" has undertaken to 'float' ten million dollars' worth of the company's land grant bonds, and the Bank of Montreal, with its usual courage, has taken one-fourth of the entire loan. This announcement looks as if the Canadians were going to raise the necessary capital on the other side of the water but I have a shrewd suspicion that they have no real intention of doing anything of the kind. The New Yorkers are keen enough gamblers, and reckless enough at times, I admit, and yet it is impossible to believe that they are such fools as to put their money into this mad project. I would as soon credit them with a willingness to suscribe hard cash in support of a scheme for the utilization of icebergs.

"The Canadian Pacific Railway will run, if it be ever finished, through a country frost-bound for seven or eight months of the year, and will connect with the eastern part of the Dominion a province which embraces about as forbidding country as any on the face of the earth. British Columbians, they say, have forced on the execution of this part of the contract under which they became incorporated with the Dominion, and believe that prosperity will come to them when the line is made. This is a delusion on their part. British Columbia is a barren, cold, mountainous country, that is not worth keeping.

No Prosperity Possible

"It would never have been inhabited at all unless by trappers of the Hudson's Bay Company, had the 'gold fever' not taken a party of mining adventurers there; and ever since that fever died down the place has been going from bad to worse. Fifty railways would not galvanize it into prosperity.

"Nevertheless, the Canadian government has fairly launched into this project, and I have no doubt the English public will soon be asked to further it with their cash. The parade of selling bonds in New York and Montreal is the new way of doing business that 'syndicates', 'bankers', and loan contractors have adopted in order that it may seem that they have faith in the schemes they father. I doubt if ten million dollars of ready cash could be found in all Canada for this or any other work of utility at a pinch, but the Canadians are not such idiots as to part with one dollar of their own if they can borrow their neighbors'. The Canadians spend money and we provide it. That has been the arrangement hitherto, and it has worked splendidly—for the Canadians—too well for them to try any other plan with a scheme like the Pacific Railway, which they must know is never likely to yield a single red cent of interest on the money that may be sunk in it.

What a "Friend" Said

"A friend of mine told me—and he knew what he was talking about—that he did not believe the much-touted Manitoba settlement would hold out many years. The people who have gone there cannot stand the coldness of the winters. Men and cattle are frozen to death in numbers that would rather astonish the intending settler if he knew; and those that are not killed outright are often maimed for life by frost-bites. Its street nuisances kill the people with malaria, or drive them mad with plagues of insects; and to keep themselves alive during the long winter they have to imitate the habits of the Esquimaux. Those who want to know what it is like should read the not-yet-forgotten books of Colonel Butler. His 'Great Lone Land' is the land of which the Canadian Pacific Railway Company has yet five-and-twenty million acres to sell, and it is through a death-dealing region of this kind that "the new railway is to run.

An "Over-rated Colony"

"As the bonds 'secured' on this land, or others guaranteed by the Dominion Government, are sure to be offered in this market by the 'bankers' and others forming the Company, I think a word or two on Canadian finances in general would be in season. Canada is one of the most over-rated colonies we have, but it is heartily 'loyal,' and makes the loyalty pay. Its astute inhabitants know how to work on John Bull's susceptibilities, and I have seen nothing finer in the way of advertising than poor Lord Lorne's "tour" now in progress. He has gone to the North, but just at the right time, and the gushing accounts we are receiving from the 'specials' who accompany him are admirably adapted to create a belief that the true land of promise is to be found there at last. With such soil to till, and among such Queen-worshippers, the distressed British farmer would be in bliss. Of course, those who choose can believe all that. For my own part, I know of only one sound province in the whole Dominion—that of Ontario. 'It is the only province,' as a shrewd land jobber said to me once, 'where you can lend money on land with any hope of seeing your own again.

"As for the country, as a whole it is poor and it is crushed with debt. The supreme government owes about £26,000,000 to this country, and about £35,000,000 altogether, and every province has its separate debt, as also has almost every collection of shanties calling itself a 'city.'

Quebec "Bankrupt"

"The province and city of Quebec are both notoriously bankrupt, and the latter was obliged to go to Paris for its last loan, probably because no one would lend it here. Last year the country had the benefit of a good crop, and a good market here, so that it did a little better; but generally it has hard work to make both ends meet, and often couldn't. Nearly every year it comes for a new loan or two, and once it is fairly committed to making this new railway, I see nothing before it but bankruptcy.

"Liquidation" Foreseen

"While the money is being spent all will go well enough, perhaps, but in the end, the Dominion will have to go into liquidation. It amazes me that its stocks stand where they do as things are, but if people took the trouble to look below the surface, prices would be very different. One of these days when the load gets too heavy, Ontario is pretty certain to go over to the States, into which it dovetails, and where its best trade outlet is. When that day comes, the 'Dominion' will disappear. With that contingency ahead, and with the prospect of another £50,000,000 or so to be added to the debt, can it be said that Canadian unguaranteed four per cents. are worth their present price?

"This 'Dominion' is, in short, a 'fraud' all through, and it is destined to burst up like any other fraud. Then, and not, I suppose till then, the British taxpayer will ask why we 'guaranteed' so much of this sham government's debt.

* * *

Twenty-five Years Later

But this is what the "Little England" editor or his successor was saying in 1906 and 1907, two separate quotations being given:

"It has been calculated that the land account surplus, the railway surplus, and the unsold land together, represent an amount equal to the par value of the common stock, and the figures in the present market premium on the shares represents all that is commanded in market value for a railway, which during 1905-6 earned 12 per cent. upon the entire common stock. Obviously this is ridiculously cheap, especially as the continued prosperity of Canada ensures good business for the railway for some time to come. The traffic returns for the last ten days in August was again a bumper."

"Canadians have enjoyed a sharp spurt and have been strong throughout, rising to 202½, which compares with a lowest this year of 161⅞, and a previous best of 189¼. The company's earnings are on a very large scale and its shares make a most attractive holding to put away for a time. They give you a very fair return in the meantime.

"I have enlarged on so many occasions on the merits of Canadian Pacifics that I am under no necessity to say much now, but I may draw attention to the fact that the shares are attractive and that they possess decided possibilities of appreciation."

Other 1907 Views

The first issue of The Financial Post also republished a number of current comments on C. P. R. from other sources of which a selection is here reprinted:

The Financial Times, London

"At 185 the entire Canadian Pacific common stock, including the new issue, is valued at 45 millions sterling, railway and land together, but the real value may be estimated as follows:

Estimated value of common stock earning 14 per cent. from railway alone at $200 per share	£48,675,000
Estimated value of 16,000,000 acres of land at $5 per acre.	£16,000,000
	£64,675,000

This is equal to $265 per share."

The Financier, London

"The Canadian Pacific Railway is one of the wonders of the world. Last year the company earned 20 per cent on its stock. The land holding is worth at least 95,000,000 dollars. There is scope for a further 100 per cent rise in the stock."

London Observer

"An examination of the value of the assets shows that Canadian Pacific Railways would not be overvalued at 250."

London Economist

"As for the increased distribution which the shareholders of the Canadian Pacific are to receive, this is to be derived entirely from the land grants which the company secured in consideration of constructing the line. How valuable an asset these grants have proved, is illustrated by Sir Thomas Shaughnessy's statement that, since June 1901, the company had paid £3,566,200 to the Government out of the proceeds of land sales, thus wiping out the debt to the State and leaving the land free of encumbrance. There is due to the company, moreover, a balance of £3,276,400 on account of land sold, but not fully paid for, and beyond that, the Canadian Pacific has in its possession unsold lands to the extent of 13,473,350 acres, while it is to receive a further 2,500,000 acres through the Columbia and Western Railway."

From Nil to $127,000,000 is Newsprint's Record

Twenty-five years ago, there was no such thing as newsprint paper in Canada's trade returns. By 1911, a value of $3,000,000 was placed on exports of this commodity, but no figures were available indicating quantitative exports.

In the fiscal year ending March 31, 1931, total exports were 14,848,000 cwt., valued at $127,352,700. The peak of newsprint export was in 1929 when 49,800,000 cwt. valued at $145,610,000 were exported.

WHY, WHEN, HOW POST WAS STARTED PAPER'S CHIEF TELLS

(Continued from page 28)

banker, who was offering me a fancy price for the paper far beyond its intrinsic worth in the days when foolish investors were biting freely at inflated values.

"What would I do with the money?" I asked.

"Go abroad, spend it and have a good time," he said.

"I have done all that," I said, "over long years in the course of my newspaper work, and I have always had as good a time as I deserved."

This is not an imaginary conversation. The same thing happened on several occasions.

Some wealthy men find enjoyment and profit in race horses, fancy cattle or prize hogs. Ex-Premier Baldwin, for example. A good newspaperman finds news and leads everywhere to the end of his days. He should get his greatest enjoyment in the successes of his prize men and women.

The Financial Post is a great newspaper thanks to its able and brilliant staff. It has done great work for its readers, for Canada and the Empire in the past twenty-five years. It led all Canada in the accuracy of war forecasts and soundness of its policies, and was frequently charged with treason and threatened with suppression. When everyone said war would be over in a few months. The Post said it would last for years and urged and with its allied paper Canadian Machinery advocated and led a movement for production of war supplies.

Its articles turned up at one of the most important war councils in Europe.

On another occasion is was the centre of a Senate investigation at Washington in connection with some sound information the staff gave a group of international bankers on the Mexican situation where Canadians were interested. And much more could be told along this line.

Eternal Vigilance

One of the biggest things The Post has done in the last ten years was put over us by a very decent writer on a daily newspaper innocently acting on behalf of a group of socially prominent financial highwaymen whose names it is doubtful if he knew. The story did not go just as they expected. In fact it back-fired. Its echoes are still being heard and will continue for a considerable time. It is possible that the worst explosion is yet to come. But that is not our work.

These references will give our readers some idea of the difficulties our editors have to face. Only eternal vigilance with the kind cooperation of our readers and all decent citizens will give us and them the greatest pleasure of safety in reliable news and other services.

Not the least valuable part of our experiences has been the mistakes—serious mistakes — chiefly when we took the word of corporation heads who had failed to read the future aright, or who should never have been trusted.

Misfits and Successes

We have been particularly fortunate in a succession of managing editors, men of high character. We have had remarkably few misfits on our staff. Some men have gone yellow. Others were yellow when they joined us. Once a man with a good record was worked in by a group of publicly respectable but privately crooked promoters. European governments, including British, have seen our organization an ideal place for their agents. Two of these I caught myself and on their retirement from the staff we found they proceeded direct to their embassies at Washington. Notwithstanding the great temptations, only twice in our whole history have we found men accepting cash bribes to influence their writings. Both were English university graduates in economics. One of the bribes was given by an agent of a real estate selling scheme—Lawrence Park, where are now the homes of many wealthy Toronto citizens.

These experiences and associations have equipped us in this organization for far greater work for our readers and country in the next twenty-five years.

BUSINESS ANNALS OF QUARTER CENTURY

(Continued from page 35)

continued to campaign against high costs of government and the failure to balance governmental budgets.

1931

Unemployment General—Industries Retrench — Bond Defaults Increase — Exchanges Demoralized as Great Britain Goes Off Gold Standard

Conditions became more acute during 1931. Industrial activity declined steadily; unemployment increased as every effort was exerted by executives to reduce costs in line with reduced prices. Dividends were cut and then passed. In many cases the surplus built up in good years was used to maintain operations and pay dividends and there was a rising tide of bond defaults, an aftermath of too optimistic development from 1926 to 1929. Total production of wheat fell below the 1930 level despite an increase in acreage and the average price dropped to 37 cents per bushel. Purchasing power of the West was far below normal and in some sections affected by drought there was much distress. Federal, provincial and municipal governments provided funds for relief.

Stock prices declined throughout the year, but bond prices were stable and there was a fair volume of new financing until mid-September when Great Britain went off the gold basis and prices of all Canadian securities broke suddenly and the Canadian dollar went to a discount of 25 per cent in New York. Foreign trade was demoralized and a period of great uncertainty prevailed. Throughout the year there was the utmost confidence in the Canadian banking system in contrast to the attitude held toward banks in the United States. One of the outstanding events of the year was the financing operations of the Federal Government. In May, some $643,100,000 of maturing bonds were converted into long term issues and in November, $221,000,000 of 5 per cent bonds were sold during the National Service Loan campaign at a period when all other financing was practically impossible.

CANADA HAD RAILWAY PROBLEM IN 1907, NOW HAS BIGGER ONE

(Continued from page 30)

Currie, Carl R. Gray, president of the Union Pacific and other railway men.

Thornton Enters Picture

On October 4, 1922, the Dominon Government officially announced that Sir Henry Thornton, American-born English railway operator was to be the new president of the system.

Big in physique and big in ideas, Sir Henry was not long in his new position before he started out to co-ordinate operations and personnel of the system, as well as to rehabilitate equipment and physical properties which had heretofore been inadequate.

The Thornton era was characterized by the spending of tens of millions of dollars in the rehabilitation of properties. New and modern rolling stock was added to the equipment, hotels built, heavier tracks laid, branch lines extended; in fact, money was spent freely in order to put the National system on a parity with that of its principal competitor, the Canadian Pacific Railway.

While all this was going on, the Canadian Pacific Railway felt obligated to spend sums over and above normal appropriations in order to meet the competition provided by the nationally-owned system.

This period of excessive competition and over-expansion could have been curtailed, but political influences upon the operations of the Canadian National system were such as to make it an extremely difficult matter to control expenditures.

Control is Essential

In the last ten years the financial position of the Canadian National Railway system went from bad to worse. Large deficits were piled up year after year, increasing the burden of taxation upon the public at large, and threatening to impair the financial credit of the Dominion Government.

The effort to keep pace with the Canadian National and the serious drop in traffic volume following the collapse of business in 1929 impaired the financial position of the Canadian Pacific Railway to such an extent that this company, which had paid dividends on its capital stock without interruption for more than three decades, was forced to defer further distribution to the ordinary shareholders.

Last year before the House of Commons Railway Committee, Sir Henry Thornton set forth his views on the railway situation. He described how earnings had fallen off due to the slow movement of grain from the West to overseas markets, decline of manufacturing, more widespread use of automobiles for travelling, use of buses for transporting passengers over short distances, and the use of trucks for transporting merchandise in areas favored with good roads. Duplications of services and the vital need of closer co-operation between the two systems was emphasized.

Bennett Appoints Commission

Following upon this declaration, Prime Minister Bennett appointed an independent commission to investigate the transportation problem. To this committee he named Rt. Hon. Mr. Justice Duff as chairman, Sir Joseph Flavelle, Lord Ashfield, Beaudry Leman, Dr. Clarence Webster, L. F. Loree and W. C. Murray.

The Duff Commission in its report to the government makes several important recommendations. It does not recommend any corporate amalgamation with the Canadian Pacific Railway.

The burden of an excessive capitalization of the Canadian National system is emphasized and it is recommended that steps should be taken to cut down the charges.

The necessity of divorcing the national system from political influence was stressed by the commission, and it is recommended that a board of three trustees be appointed to be responsible for the management of the nationally-owned system.

Trustees for C. N. R.

Close co-operation between the two national systems is deemed essential if the railway problem is to be solved, said the commission, and to this end it recommended that a joint board of co-operation be formed consisting of the trustees of the nationally-owned system and three members to be appointed by the Canadian Pacific Railway. If this committee could not agree upon a measure of co-operation, appeal could be made to an arbitral board, composed of the Chief Commissioner of the Board of Railway Commissioners and one representative from each of the two railways.

Measure of Protection

As a further measure of protection, it was recommended that, at the request of either railway, and upon it being shown to the president of the Exchequer Court of Canada that the matter is of major importance, two additional members may be appointed by him to the arbitral tribunal for the occasion.

Matters of bus and truck competition, building and operation of hotels, and kindred subjects were covered by the Commission in its investigations and reported upon to the Government.

Carrying out of the remedial measures as recommended by the Duff Commission lies in the hands of the Dominion Government.

Helpful—Not a Solution

No one expects that the implementing of the Duff report will provide a solution to the country's railway problem. At best it is hoped that stringent methods of economies and close co-operation will enable the two national systems of railways to provide adequate transportation facilities on a paying basis; that the incessant drain upon the country's resources caused by the continued deficits of the publicly-owned property be stopped or greatly lessened.

Either this is the case or facilities will have to be restricted until they are self-supporting.

EATON'S
A MAGNET FOR MEN

NOTE the countless men who pass through the doors of Eaton's various stores and you will realise to what an extent The T. Eaton Company has become a national institution;—deeply rooted in the life of the Dominion.

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In the Sporting Goods—the Hardware—the Drug Departments, in short—everywhere Eaton's offers a wide selection of merchandise appealing to men who demand the most exacting standard.

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The T. Eaton Company Limited takes this opportunity to congratulate The Financial Post on the occasion of its Silver Anniversary, and wish it every success in the future.

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